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## Strike Ends in S. Africa

### Union Accepts Offer Rejected by Rank-and-File

**JOHANNESBURG** — Black miners in South Africa called off their strike Sunday after failing to gain more pay from white employers.

Cyril Ramaphosa, who led the three-week strike by more than 30,000 miners, denied that it was a defeat and said the action — the country's biggest industrial strike — had laid the foundation for more gains.

He said miners would begin returning to work Sunday night, ending the stoppage that has severely disrupted gold and coal fields, which form the backbone of the South African economy.

Settlement of the costly and violent dispute was announced after more than three hours of talks between the Chamber of Mines, grouping the big six mining companies, and union leaders.

A Chamber of Mines spokesman said mine owners had not improved on a package rejected by the union last Wednesday. That package offered higher holiday pay and death benefits but stuck to wage rises of between 15 and 23.4 percent, increases that have already been implemented.

The president of the chamber, Naas Steenkamp, said: "I am very happy to say we have a settlement with the National Union of



Naas Steenkamp announcing the end of the black miners' strike on Sunday.

Mineworkers. They have decided to call off the strike.

Mr. Ramaphosa, 34, the union's general secretary, said at a news conference later that the strike had demonstrated the miners' determination to fight for a living wage.

"We don't see this as a defeat," he said. "The chamber has not won and we have not lost."

Mr. Ramaphosa said the union agreed to the settlement because it believed that the mining companies "were bent on dismissing all workers from the mines."

Anglo American Corp., the company worst hit by the strike, said it would rehire 40,000 miners it dismissed during the dispute — if their jobs were still available. It has hired an undisclosed number of replacement workers.

"Some jobs have been lost," Steenkamp said.

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## Aquino Warns 'Traitors'

### Praises Ramos; Military Hunts Rebel Leader

**MANILA** — President Corazon C. Aquino on Sunday branded leaders of an unsuccessful coup as "traitors and murderers," and she warned that the attempt "taught them a bitter lesson."

"We shall teach them again if they want it," she added.

Making a previously planned appearance at a military camp in Manila to mark the Hero's Day holiday, Mrs. Aquino said the 20-hour military rebellion that claimed more than 30 lives on Friday was a direct attempt to assassinate her.

"The aim of the rebels was clearly to kill the president and her family," Mrs. Aquino said. "The size and ruthlessness of the attack, the brutality of the rebels who fired on civilians, and the timing," she added, "proves beyond a doubt their murderous intentions."

The leader of the rebellion, Colonel Gregorio Honasan, continued to elude a massive military manhunt after escaping from the rebel soldiers' stronghold while it was under heavy bombardment by loyal government troops.

Mrs. Aquino praised the military officers who crushed the rebellion, specifically the armed forces chief of staff, General Fidel V. Ramos, who has now sided with the president to defend or crush five coup attempts from within the restless military.

General Ramos has been criticized by some outspoken soldiers and officers for being loyal to Mrs. Aquino and to the institution of the armed forces, and the rebels who launched last week's rebellion were demanding his removal.

General Ramos has a delicate line in trying to counter the interests of some hard-line officers who have long advocated a coup. When Colonel Honasan and his followers were angling for a coup last November, General Ramos defused it when he and some generals agreed to present Mrs. Aquino a letter listing the military's grievances. They included a demand for

See AQUINO, Page 6



President Corazon C. Aquino with Defense Secretary Rafael M. Ileta, left, and General Fidel V. Ramos, military chief of staff, in prayers Sunday for victims of the coup attempt.

## Inside the Military, Gun vs. Gun

### Philippines Still Struggling to Maintain Civilian Control

**MANILA** — The rebellion by affected soldiers reflects a deep discontent within the Philippine military that has erupted in a series of threats and coup attempts throughout the tenure of President Corazon C. Aquino.

It demonstrates the difficulty the nation has faced in subordinating the armed forces to civilian control after 15 years of martial law under Ferdinand E. Marcos, followed by a military revolt that removed him and received worldwide acclaim.

The fact that the bulk of the armed forces supported the government on Friday, despite any discontent the members might share with the rebels, was a signal of a basic acceptance of civilian rule.

But after the bloodshed of Friday, the possibility remained of even deeper rifts within a divided armed force.

Ever since the revolt in February 1986 that helped boost Mrs. Aquino to power, elements in the military have been restive, seeking greater political influence and complaining that they are not respected by the government.

On Friday, for the first time, the military as a whole demonstrated that although many members may be unhappy with their government, they were prepared to be defending it.

The perspectives of the mutineers are narrow.

Men like Colonel Gregorio Honasan, who has led several moves, the armed forces headquarters.

## Iraqi Planes Hit Kharg Island in 2d Day of Raids

By John Kifner  
New York Times Service

**CAIRO** — Iraq, reopening the "tanker war" in the Gulf, bombed Iranian offshore oil sites Sunday for a second day, its communiques said, hitting two more "large naval targets," the usual phrase for oil tankers.

The renewed bombing attacks, after a six-week lull, appeared to doom any hope of a United Nations-sponsored cease-fire and raised the specter of Iranian retaliation as U.S. warships were increasingly drawn into the Gulf War.

A heavily guarded convoy of six U.S. Navy ships and two reflagged Kuwaiti tankers slipped through the Strait of Hormuz into the Gulf on Sunday in the strongest display of U.S. firepower thus far.

The U.S. Navy is assembling a fleet of at least 46 warships in the Gulf area. France and Britain are also sending additional naval forces into the area.

Hours before the U.S.-escorted convoy ventured into the Gulf, after having been delayed for days by high winds and sandstorms, the Iraqis launched new raids against Iran's major oil installation at Kharg Island.

An Iraqi military communiqué Sunday morning said that a "very large naval target," which generally means a supertanker, had been hit. An announcement by a military spokesman Sunday evening said a "large naval target" had been hit by warplanes at 7:30 P.M. local time.

Baghdad broke a 45-day de facto cease-fire Saturday with attacks on offshore installations that left an Iranian tanker ablaze. President Saddam Hussein of Iraq, in a radio address Saturday night announcing the resumption of attacks on Iran's oil shipping, declared:

"From now on we will strike them in the sea and destroy all the economic arteries which finance their aggression."

Foreign Minister Ali Akbar Velayati of Iran warned Sunday that Tehran might respond by attacking shipping or anything else that supported the Iraqi war effort.

"No doubt Iran will not leave these attacks unanswered, and Iran's retaliation may also include facilities which equip Iraq and keep up its war machine," Mr. Velayati said in a message to the UN secretary-general, Javier Perez de Cuellar. The message was reported by the official Iranian news agency.

The newspaper of Iran's ruling fundamentalist clerics, apparently referring to the U.S. reflag-

See GULF, Page 6

## Israel Cabinet Scraps Lavi Fighter Plane

By Thomas L. Friedman  
New York Times Service

**JERUSALEM** — The Israeli cabinet voted Sunday to halt development of its home-grown Lavi fighter jet, which was meant to serve as Israel's main advanced combat aircraft for the 1990s.

By a 12-11 vote, the cabinet decided to adopt a proposal by Foreign Minister Shimon Peres to scrap the Lavi fighter program, begun seven years ago, and to use the savings to purchase U.S. F-16 combat jets and to develop other advanced weapons systems requested by the Israeli army.

Almost all of the \$1.5 billion that has been spent up until now on developing the Lavi was provided by the United States, but several billion dollars more would have been needed to produce the plane by the mid-1990s.

A slim majority of the cabinet was finally convinced to abandon the Lavi after the Reagan administration, as well as Israel's Finance Ministry, Defense Ministry, army and air force all came out openly against the project because they concluded that it was uneconomical and would have devalued the military budget.

[In Washington, a State Department spokesman, Rudi Boone, quoted by The Associated Press, said: "We recognize that this was a difficult decision for Israel but is

See LAVI, Page 2

## Vital French Statistic: 779,000 Babies in '86

**PARIS** — It was another statistic earning headline play in the slow days of August. The 779,000 figure did not relate to inflation or unemployment.

It was babies, 1.84 French babies to be exact.

France's National Institute of Demographic Studies said in its annual report that the number of babies born in the country had risen for the third successive year, although the target figure of an average 2.1 babies per woman of child-bearing age was still far off.

The 2.1 figure, which makes an allowance for infant mortality, is the number of babies each woman would need to have in her lifetime to keep the population at its current level of around 55 million.

Rolf Benkert, a demographer at the Council of Europe, based in Stras-

bourg, said the latest French report showed only that "the downsizing is a little bit less than before."

Prominent press coverage of the first figures reflected an official concern about the French birthrate that can be traced to World War II.

France's early defeat by the Germans is often blamed on the shortage of young men to fight, a consequence of World War I, in which 1.35 million French soldiers, who would have fathered the next generation, were killed. Only Imperial Russia lost more, with 1.7 million deaths, while the entire British Empire lost 900,000.

After de Gaulle became president in 1959, bringing his vivid memories of both wars, family allowances were raised to encourage the French to reproduce — a couple with two children today collects more than 1,200 francs (\$200) a month until the first is considered to be an adult and has left home.

Now, according to Mr. Benkert, "if you have 12 children, you can have a fine life without a job."

Under de Gaulle, France reached a triumphant figure of 2.0 babies per childbearing woman in 1964.

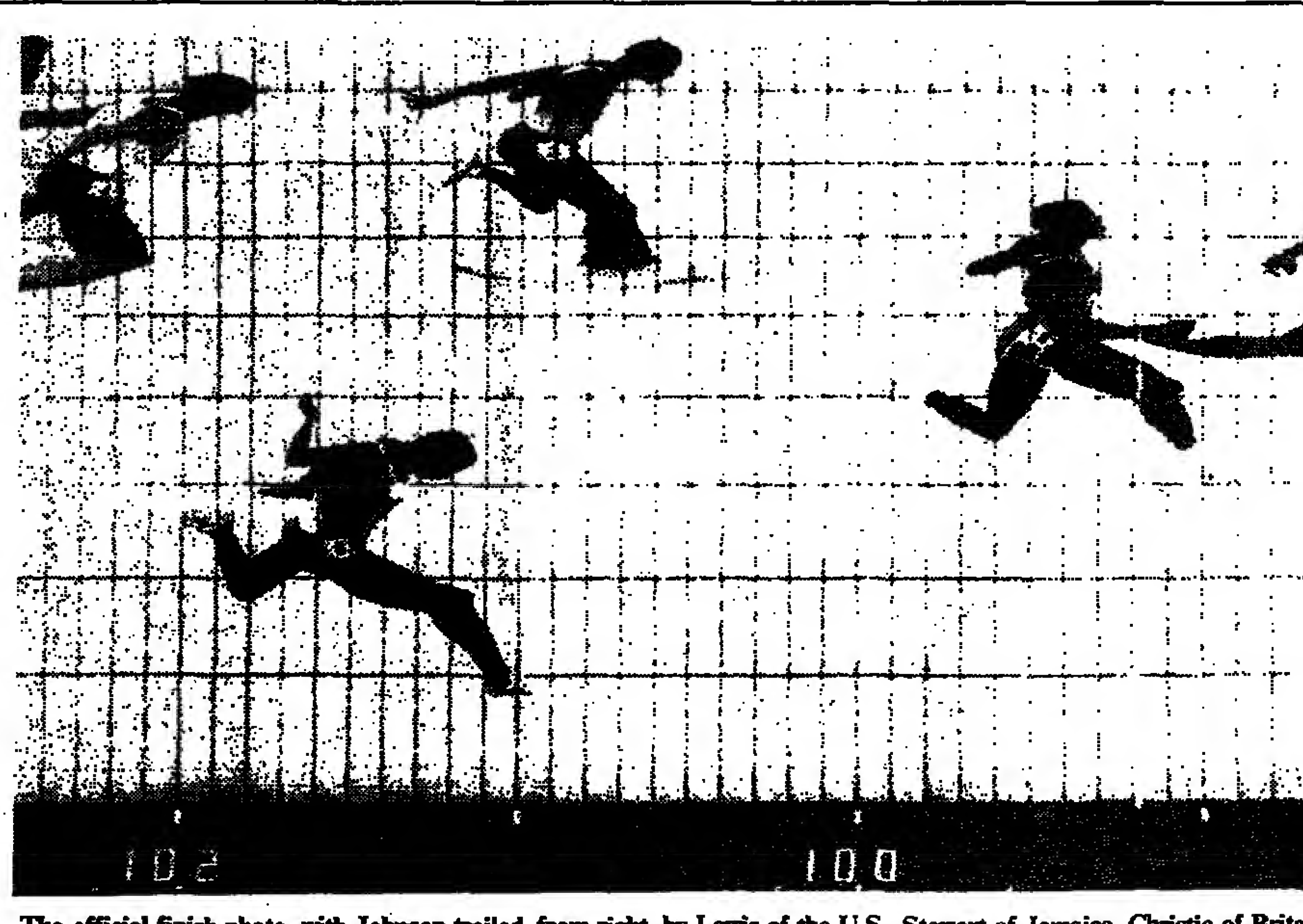
In the 1960s, such was the obsession with the birthrate that a baby girl was feted and showered with gifts as the country's 50 millionth citizen.

The government-inspired jubilation ended abruptly when embarrassing new calculations showed that the original sums were wrong, that the celebration was premature and that France was still several hundred thousand people short of 50 million.

However, some demographers say that France's concern about the birthrate is not just the preserve of politicians but that ordinary citizens feel it too.

"The Germans join the Greens and get worried about the environment whereas the French don't

See BIRTHS, Page 6



The official finish photo, with Johnson trailed, from right, by Lewis of the U.S., Stewart of Jamaica, Christie of Britain and Kovacs of Hungary.

## Johnson Sets 100-Meter World Mark

By The Associated Press

**ROME** — Ben Johnson, a Canadian, ran the 100-meter race in 9.83 seconds Sunday to set a world record at the World Track and Field championships.

In beating Carl Lewis of the United States by two meters (six and a half feet), Johnson stripped a tenth of a second off the mark set four years ago by Calvin Smith, an American. Lewis matched Smith's time of 9.93.

Johnson had a step on the field five meters into the race, and even Lewis's renowned finishing sprint could not catch him. Lewis, the defending champion who had lowered his own best record to 10.03 in the semifinals, gave a look and gesture of disappointment at the finish.

He chased after Johnson, extending his hand. Johnson appeared not to notice, and Lewis slapped him on the back in congratulations. Twice more, Lewis offered his congratulations as the cheers continued. Finally, Johnson shook hands. (Page 13.)

## Kiosk

### NASA Tests Booster Rocket

**BRIGHAM CITY, Utah (UPI)** — The first redesigned shuttle booster rocket shot a jet of flame across the desert Sunday in a test that revealed no obvious evidence of the kind of joint failure that doomed Challenger 19 months ago.

The trial lasted two minutes as planned, but NASA officials said it would take at least two weeks of analysis and internal examination to confirm that the rocket's O-ring joints withstood the pressure and heat.

### French vineyards are attracting foreign investors looking for profit and glamour.

French vineyards are attracting foreign investors looking for profit and glamour. Page 7.

### GENERAL NEWS

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- A Chinese bank became the first to issue shares since the takeover by the Communists in 1949. Page 7.

## A New U.S. Drug Picture: Waning in Middle Class, Growing Among Poor

By Peter Kerr  
New York Times Service

**NEW YORK** — Americans generally appear to be turning away from the use of illegal drugs, but, at the same time, the poor face mounting deaths and an ever bleaker future because of drug abuse, according to government statistics and interviews with drug experts around the country.

What may be emerging, some believe, is a tale of two drug problems: one in middle-class America, which may be over the worst of a 20-year mass experiment with illegal drugs; the other in the America of the poor, where, amid hopelessness and lack of education, people will suffer the worst consequences of cocaine, heroin and AIDS.

"We are dealing with two different worlds here," said Dr. David F. Musto, a professor of psychiatry and history of medicine at Yale University.

"The question we must be asking now is not why people take drugs, but why do people stop," Dr. Musto said. "In the inner city, the factors that counterbalance drug use — family, employment, status within the community — often are not there. It is harder for people with nothing to say no to drugs."

In recent years, the focus of greatest concern among drug experts has been cocaine, for while the use of other drugs was dropping or remaining stable, cocaine grew widely in popularity throughout the United States in the late 1970s and early 1980s.

Findings from two major federal studies on drug use show that in the last few years, better-educated young people have been reducing their use of cocaine and other drugs. Meanwhile, the least-educated have increasingly used cocaine.

Experts caution that their conclusions are tentative and that the rise of a new drug or the appearance of other unpredictable factors could easily upset current trends. And, whatever the trends, they say, drug use is so widespread that it will remain a problem in all sectors of society for years to come.

However, they point to a newly emerging picture of drug use in the United States that, they say, carries a mixed message of hope for the well-off and despair for the poor. Their conclusions include:

- With the exception of heroin and crack among the poor, the use of illegal drugs in the nation appears to have peaked, including snorting powdered cocaine.
- Federally financed studies show that the people turning away from drugs are the most educated and affluent. The poorest and least-educated have continued or have increased their drug use.
- Crack, a smokable form of cocaine, has largely remained a poor people's syndrome. Most of those people will be poor.
- Several drug treatment experts voiced concern that as the casualties of drug abuse shift increasingly into the ghetto, the drug issue may become less visible to many Americans and receive less attention from government.
- Dr. Mitchell S. Rosenthal, the president of Phoenix House, the operator of drug treatment centers in New York and California, said: "In the heroin crisis of the late 1960s and again with crack in recent years it was the threat to the middle- and upper-middle-class kids that put pressure on legislatures and Congress. There is a danger that if they feel less of a threat, the resources won't stay with the problem."
- Some scholars say societies experience widespread drug use in historic cycles. From 1885 to 1920, the United States experienced an epidemic of narcotics use. Dr. Musto argues that a similar epidemic began in about 1965.
- Statistics indicate that outside of the poorest neighborhoods, the nation's 20-year affair with illegal drugs is on the decline.
- According to the National Institute on Drug Abuse, marijuana use peaked in 1978, and by 1985, seven out of 10 high school seniors believed marijuana use to be harmful. Young people's use of hallucinogens, like LSD, and PCP, or "angel dust," has fallen since 1979 as well.
- A survey conducted by the National Institute on Drug Abuse by the University of Michigan Institute for Social Research asked high school seniors what drugs other than marijuana they had used in the previous month.
- It found that in 1986, seniors of all economic backgrounds were using drugs less than seniors in 1981.
- What confused the situation last year was cocaine, whose use had been rising since the late 1970s. By last year, the white powder was flooding across the nation's southern border and was appearing in urban areas in the new smokable form of crack; from 1982 to 1986, the number of deaths and emergency room reports involving cocaine quadrupled.
- For a time, experts feared that the pellet form of cocaine, which causes addiction much more quickly than cocaine powder, would spread to all segments of society, including the middle-class and the affluent, who were using powdered cocaine. It now appears that the growth of crack has leveled off in New York and many other cities around the country, law enforcement and treatment officials say.
- There is still evidence of middle-class crack use with severe consequences for those who have become addicted.
- Perhaps the most dire vision of the future concerns the intravenous users of heroin, a drug that has remained predominantly the preserve of the inner-city poor.
- While the number of addicts around the nation has remained relatively stable, there has been an alarming rise in the proportion of addicts exposed to the AIDS virus from the sharing of needles.

# Realism Tempers U.S.-Soviet Hopes for Missile Pact

By R.W. Apple Jr.  
*New York Times Service*

WASHINGTON — It was a typically languid August, and there was none of the electricity in the damp Washington air that usually marks historic moments, but there seems little doubt that such a juncture was reached last week. Suddenly, it became highly likely that the United States and Soviet Union would agree before the year is out to destroy, for the first time, significant parts of their immense stockpiles of nuclear weapons.

To the superpowers' earlier agreement to eliminate all of their medium- and shorter-range missiles in Europe were added two new elements: a fresh United States proposal in Geneva on Tuesday, reducing the number of on-site inspections each side could demand, and an announcement on Wednesday by Chancellor Helmut Kohl that West Germany would be willing to dismantle its 72 nuclear-tipped Pershing-1A missiles.

"We can wrap up an agreement on intermediate-range nuclear missiles promptly," President Ronald Reagan said in a speech in Los Angeles. And in Moscow, Gennadi I. Gerasimov, the Foreign Ministry spokesman, welcomed both developments, commenting that "the situation has changed for the better."

If neither side sounded euphoric, if there was little rolling of drums and crashing of

cymbals in either capital, this reflected deep-seated hostility and suspicion on both sides, plus the knowledge that a treaty and the summit conference at which it would be signed represent only a single step toward what Mr. Reagan called "enduring change in the postwar standoff."

In Europe, moreover, some political and

### NEWS ANALYSIS

military leaders view the rush toward a treaty with concern; the idea for deployment of the American missiles that are now to be destroyed came, after all, from Helmut Schmidt, the former West German chancellor.

Now the fear, shared in part by the former NATO commander, General Bernard W. Rogers, is that Europe will be left with conventional defenses outgunned by superior Soviet forces and with uncertainties about American willingness to risk self-destruction by coming to Europe's defense.

They suggest that while it seems reasonable that Washington would use the missiles now based in Europe to defend against any Soviet incursion, Europeans consider it much less likely that the Americans would fire strategic, or longer-range, nuclear weapons at the Soviet Union on Europe's behalf. The reason is that an almost certain consequence would be nu-

clear retaliation against United States cities.

With similar reasoning, Henry A. Kissinger wanted last week that the proposed treaty would ultimately drive a wedge between Europe and the United States.

But the West European man in the street, as a minister in one European government put it recently, "wants a treaty almost as badly as he wants his August holiday."

That sentiment clearly made Mr. Kohl uncomfortable about seeming to stand in the way of an agreement between Moscow and Washington, and it will make it easier for Mikhail S. Gorbachev, the Soviet leader, to convince the West Europeans, as he is attempting to do, that the next logical step is equal reductions in conventional weaponry. That procedure, as Washington reportedly points out, would institutionalize the present Soviet edge in tanks and other ground forces.

Some American conservatives insist that a treaty as contemplated is unacceptable without elimination of Soviet conventional superiority, and this argument may form the basis of an attempt to block ratification by the Senate.

Any new treaty will do nothing to reduce or limit the superpowers' extensive supplies of strategic, long-range missiles, which are the ones they aim at each other, and which the Russians could position so as to hit Western Europe as well.

Then there is the longstanding anxiety in some Western circles about the possibility of rapprochement between West and East Germany, which would effectively neutralize the Bonn government.

Some commentators saw a hint of that in suggestions that one reason for Mr. Kohl's announcement was his determination to do nothing to spoil the long-awaited visit of Erich Honecker, the first trip to West Germany by an East German head of state.

Nevertheless, an arms control agreement would fundamentally alter the tenor of relations between the Soviet Union and the United States, easing the sense of confrontation that has predominated during the Reagan presidency, and perhaps making possible further arms control measures.

It would also bring substantial political benefits to both Mr. Reagan and Mr. Gorbachev. The president, who has built his political career on strenuous anti-communism, has come to see a missile treaty as a guarantee of his "place in history," to use a favorite White House phrase.

More immediately, a treaty and summit meeting would distract attention from the congressional record on the Iran-contra affair. For Mr. Gorbachev, a treaty would permit the diversion of scarce resources from arms to the stagnant Soviet economy and help persuade Western Europe to open new sources of Western technology and capital.

## WORLD BRIEFS

### Paris Had 1985 Warning on Iranian

PARIS (Reuters) — The Paris police sought to have Wahid Khamenei, the Iranian interpreter at the center of a crisis in French-Iranian relations, expelled in 1985, according to the newspaper *Le Point*.

Mr. Gerdji started a two-month diplomatic stand-off when he took refuge in the Iranian Embassy in Paris in June after refusing to appear for questioning about a series of bombings in the city last year that killed 13 persons. The embassy has been under police siege, as has the French Embassy in Tehran, since France broke ties on July 17.

In its Monday edition, *Le Point* printed extracts from a letter dated Jan. 10, 1985, from the Paris police director, Guy Fouquet, to the Interior Ministry, asking for Mr. Gerdji's expulsion with "absolute urgency" because he was part of a group suspected of preparing "terrorist acts." The ministry, under the previous socialist administration, did not act on the request.

### Italy Sets Conditions for Elba Inmate

PORTO AZZURRO, Italy (Reuters) — The Italian government on Sunday said it would only consider concessions over prison conditions for six armed convicts if they immediately released 28 hostages they had held since Tuesday.

After a four-hour emergency meeting in Rome on the prison siege of the island of Elba, an official statement said the government had decided to let the convicts go free. The statement said the participants in a meeting had discussed in principle concessions to the six convicts that would be moved to prisons nearer their homes and not be transferred to places where they could be in danger of personal or political vendettas.

But it said the government would only consider such concessions if the hostages were released immediately and the convicts agreed to be tried for the revolt, accepting whatever additional punishments were imposed. The prisoners are all convicted of killing or serving life or long-term sentences.

### Contras Down Nicaraguan Helicopters

MANAGUA (AP) — A Nicaraguan Defense Ministry spokesman said that two officers and four soldiers were killed in the crash of a military helicopter shot down by anti-Sandinista rebels.

The communiqué issued Saturday said seven persons aboard the helicopter were missing and eight, including the pilot and co-pilot, hospitalized.

The Soviet-made helicopter was hit by a U.S.-made Redeye missile near the village of La Vega, 125 miles (about 200 kilometers) north of Managua, the ministry said.

### Peru Rebels Kill Head of a State Firm

LIMA (Reuters) — Guerrillas believed to be from the Maoist Shining Path organization have ambushed the head of a Peruvian state company, killing him and a bodyguard and wounding his wife and three children, the police said.

They said Rodrigo Franco Montes, 30, executive president of ENI, the staple food importer, died in a hospital Saturday about 90 minutes after the attack by eight guerrillas using submachine guns and sticks of dynamite. The bodyguard, Hugo Ortiz Palomino, was killed instantly in the attack outside the Franco home.

Mr. Franco's wife, Cecilia, 31, and daughter, Carolina, 8, were recovering from bullet wounds in the neck and legs while two other children, Rodrigo, 7, and Alonso, 5, were slightly injured by dynamite blasts, the police said. Mr. Franco was a member of the governing American Popular Revolutionary Alliance.

### Sihanouk Calls for More Rebel Unity

BEIJING (AP) — The Cambodian resistance leader, Prince Norodom Sihanouk, called Sunday for greater unity within his fractious anti-Vietnam coalition but did not say if he intended to resume anti-Vietnam leadership.

He spoke at a banquet given by Chinese officials to honor him and two other Cambodian resistance leaders, Son Sann and Khieu Samphan. The three arrived in Beijing on Saturday for a meeting of their Chinese-backed resistance coalition. Vietnam invaded Cambodia in 1978 and established a government there under Heng Samrin.

The meeting is the first by the three Cambodians since May, when Prince Sihanouk, angered over alleged attacks by Khieu Samphan, Khmer Rouge on Cambodian refugees, took a one-year "leave of absence" from his post as coalition president. At the banquet, he said the coalition must "continue to strengthen its unity and fight staunchly," adding, "There is no other way."

### Lebanese Guerrillas Reported Killed

TEL AVIV (Reuters) — Israeli troops have killed four Shiite Muslim guerrillas in a clash north of Israel's self-declared security zone in southern Lebanon, the Israeli army said.

An announcement said there were no Israeli casualties in the clash on Saturday, just north of the village of Yater.

"Israeli forces conducting searches to determine the launching site of Katyusha fire and guerrilla attacks against Israel discerned a guerrilla squad in the area," an official announcement said. "The forces opened fire and killed them." The clash came after Israel reported last week that Katyusha rockets fired from Lebanon had landed in its Galilee region.

### For the Record

Five retired New York police officers marched with Irish Republican Army sympathizers in Buncrana, Ireland, on Saturday to commemorate the deaths of 10 hunger strikers six years ago. It was the fourth commemorative year that representatives of the New York police department's Emerald Society Pipe Band took part in the march. (AP)

Albania has welcomed a decision by Greece to lift a technical state of war that has existed between the neighboring countries for more than 40 years. Greece announced the decision on Friday. (Reuters)

Undercover police officers arrested Satnam Singh Baba and Rajinder Singh Jinda, the two most wanted Sikh militants in India, on Sunday after a gun battle in New Delhi, officials said. (AFP)

## TRAVEL UPDATE

### Barcelona Controllers Ponder a Strike

BARCELONA (Reuters) — Militant air traffic controllers at the Barcelona airport, after calling off a stoppage scheduled for Saturday, said they might strike next Saturday.

The controllers, who direct traffic in the popular Balearic islands and Costa Brava tourist areas, are threatening to strike over a pay dispute. Flight attendants of the Portuguese airline TAP called off on Saturday's strike planned for Sunday after the company agreed to reinstate 10 of their colleagues suspended for striking to work extra hours. (Reuters)

The United Arab Emirates shelved of Ras al Khaima decreed Saturday that hotels in the sheikhdom no longer may serve liquor or host dancing parties. (AP)

A stone tower of the Inca city of Machu Picchu in Peru is in danger of collapsing, an official of the National Institute of Culture said Saturday. The tower, known as the Temple of the Sun, has been closed to tourists because a geological fracture has rendered it unstable.

About 48,000 Canadian railroad workers ended a five-day strike over job security Saturday, allowing freight service to resume. Passenger service was to resume Monday. (UPI)

### This Week's Holidays

Banking hours and government services will be closed or curtailed in the following countries and their dependencies this week because of national and religious holidays:

MONDAY: Britain, Gibraltar, Hong Kong, Macao, Malaysia, Trinidad.

TUESDAY: Central African Republic, Libya, Mexico, Syria.

THURSDAY: Monaco, Qatar, San Marino, Tunisia.

SUNDAY: Pakistan.

Source: Morgan Guaranty Trust Co. Reuters.

## Libya Claims It Killed 460 In Battle for Aozou Oasis

Compiled by Our Staff From Dispatches

PARIS — Libya said Sunday that its forces had killed 460 Chadian troops and wounded 877 in retaking the border village of Aozou, handing Chad its first major defeat in a campaign to end Libyan occupation of its northern territory.

The Libyan press agency, JANA, monitored by the British Broadcasting Corp., said Chadians scattered by the fighting were coming out of the sun-baked Tibesti mountains in central Africa to surrender.

After heavy fighting Friday, Libyan soldiers hoisted their flag over Aozou, in the disputed region on the border between the two countries, JANA said.

The Libyans had lost control of the oasis Aug. 8 and were beaten back in two subsequent attempts to retake it before the battle Friday in the Aozou strip, a 1,000-mile by 70-mile (1,600-kilometer by 115-kilometer) territory annexed by Colonel Moammar Gadhafi in 1973.

The battle gave the Libyan leader a victory for the 18th anniversary of the Sept. 1, 1969, revolution that brought him to power.

Chad refused to admit defeat. It said its troops were still in positions around the village, 940 miles north of the capital, Ndjamena.

The Chadian authorities said fighting continued Sunday with Libyan fighters bombarding the Aozou region and other towns further south, including Faya-Largeau, an oasis 500 miles north of Ndjamena.

A BBC correspondent at the scene, Kieran Cook, said earlier that Libyan troops had recaptured Aozou and driven out Chadian forces.

Mr. Cook's report from Aozou was the first independent confirmation of Libya's claim that its troops overran the town on Friday and were pursuing Chadian forces. (UPI, Reuters)

## 'Sabbath War' Heats Up In Jerusalem Streets

By Thomas L. Friedman  
*New York Times Service*

JERUSALEM — Israeli riot policemen broke up demonstrations over the weekend by hundreds of Orthodox Jews protesting the showing of movies on Friday nights. Bursis of tear gas fired by the police wafted through Jerusalem.

Crowds of men, women and children gathered at 12 intersections leading out of Mea Shearim, the Orthodox quarter of Jerusalem, at dusk Saturday. They shook their fists, spat and shouted "Sabbath, Sabbath!" at passing motorists, who were driving before the end of the Sabbath at sundown.

At each intersection police officers — armed with tear gas, nightsticks and water cannon — stood guard, making certain that the protesters, led by their rabbis, did not try to move out of Mea Shearim.

But at several intersections groups of 300 to 400 demonstrators surged into the streets and began throwing stones and screaming "Nazis!" and "Get out of this country!" at the police.

Whenever the police seemed to fear that the crowd was about to get out of control, they opened up with tear gas and hoses, which sprayed water mixed with a green dye not easily removed from clothing.

Each time the police let loose with the hoses the crowds scattered into side streets. At one intersection, a small crowd of nonreligious Jerusalemites gathered behind the police barricades and cheered each time tear gas was fired.

Some of the Orthodox from Mea Shearim came out individually and engaged the spectators in sidewalk debates.

The clashes were the latest in the "Sabbath War," which began several months ago when two movie theaters, later followed by two more, defied a city ordinance and opened for business on Friday night.

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Orthodox Jews protesting in Jerusalem over the showing of movies on Friday night.

## LAVI: Israeli Government Scraps Project to Build Advanced Fighter Plane

(Continued from Page 1)

one we believe will best serve Israeli interests."

The cabinet vote broke down almost exactly along party lines in the national unity coalition, with most Labor ministers voting to scrap the Lavi and most Likud bloc ministers, led by Prime Minister Yitzhak Shamir, voting to continue developing the plane — two prototypes of which are already flying.

Mr. Shamir and his Likud colleagues said they favored development of the Lavi out of a combination of national pride, a desire to provide employment for high-technology workers and out of a conviction that Israel can and should build its own advanced fighter plane.

The Likud ministers held to these views right through the voting Sunday, even though the entire Israeli military and financial establishment opposed them.

Industry Minister Ariel Sharon, calling the Lavi "the glorious creation of Israeli technology," intimated that Labor ministers had buckled under U.S. pressure.

Mr. Sharon branded the cabinet vote "another example of weakness" in which certain individuals were ready to "dance to the flute of foreigners."

Those who voted against, he said, "are people who have lost their faith," adding: "They have lost direction. They have lost the way. They have lost national pride."

The decision prompted Moshe Arens, a Likud minister without portfolio who is an aeronautical engineer and the staunchest advocate of the Lavi in the cabinet, to say he would resign.

"This is a decision that is so wrong and its implications so negative that I simply do not feel that I can take responsibility for it," Mr. Arens said.

Mr. Peres, however, describing the vote as "an unbearably difficult decision," said his plan would maintain the strength of the Israeli aircraft industry.

Besides halting the Lavi development, the Peres plan included three other main points:

- The Defense Ministry is to allocate \$100 million a year for the

state-owned Israel Aircraft Industries to continue developing advanced avionics systems that could be used by a future generation of fighter planes.

- Israel is to begin discussion with U.S. officials regarding possible Israeli participation in the development and production of the next generation of the F-16.
- Israel will make an immediate effort to increase Israel Aircraft Industry's role in the production of the current model of F-16s, which probably will be purchased by Israel in the near future.

A letter from the Reagan administration was delivered Saturday to Israeli officials. It urged termination of the Lavi, government sources said.

## 32 South Koreans Die in Cult Murder-Suicide Pact

The Associated Press

YONGIN, South Korea — The leader and 31 followers of a religious cult who taught that the world was about to end took drugs and strangled each other in a mass murder-suicide, the police said Sunday.

Officials said that 28 women and four men were dead, nearly all of them adults. The youngest victim was a 17-year-old girl, they said.

The police said that the cult members consumed poison or powerful drugs on Friday, then allowed

themselves to be strangled with bits of rope and cloth in the attic of the cult's factory.

They said that the last cult member to die was the factory manager, Lee Kyung Soo, who hanged himself.

The bodies of Park Soon Ja, 48, who was called "benevolent mother," her three children and 28 cult followers were found Saturday by her husband.

The bodies, in pajamas, were piled on top of each other, many with rope or cloth cords tied

around the necks and tissue stuffed in the mouths and nostrils.

Five red candles, numerous drug bottles and rubber gloves were found.

The police stressed that the situation was still unclear. Autopsies will be performed on some of the bodies.

Mrs. Park and her followers had been hiding in the factory attic since the police began an investigation of the cult last week.

The police visited the factory Friday and removed 49 persons, mainly children, but did not find Mrs. Park, officials said.

She and a group of followers disappeared from Taejon, in central South Korea on Wednesday after the police began investigating charges that she had swindled 7 billion won (\$8.7 million) from about 220 people, the police said.

It appeared that some of the children had been forced to work in the factory, which produced ornate Korean chests, pottery and toys for sale to tourists.

Police officials in Yongin, 50 miles (80 kilometers) south of Seoul, said the cult leader had persuaded her followers to give up all their possessions and promise unquestioning loyalty and devotion.

Mrs. Park, who claimed to act on the orders of God, taught that the world was decadent and was about to be destroyed. Followers lived and worked in the cult's factory and other centers, isolating them-

selves from the world and devoting their lives to their leader.

Park Hyung In, who feared that her elder sister was among the dead, said the cult practiced an extreme and frenzied form of Christianity and asserted that the enclosed community was "paradise."

"I went to the church a couple of times, but I did not like it," Park Hyung In said. She also said she attended a cult rally in Seoul in the summer of 1981 with 4,000 cult members and relatives.

The cult said that members would go to heaven alive and not have to die if they followed Mrs. Park's teachings, she said.

At least 130 people were thought to have lived and worked at the factory, and the police were searching for residents who had not been accounted for.

The police said they began investigating the cult after two persons who tried to get back funds they had donated to Mrs. Park were beaten by her followers.

## South Korean Police Step Up Drive Against Suspected Labor Agitators

Reuters

SEOUL — The police said Sunday that they were questioning seven dissidents and seeking about 30 others whom they suspect of fomenting labor strife in South Korea.

The seven include a dissident priest and two senior members of the National Coalition for a Democratic Constitution, the group that organized nationwide demonstra-

tions in June for democratic reforms, the police said.

The police said that some of those being questioned were suspected of inciting striking shipyard workers to obstruct the funeral of a colleague killed by a police tear-gas canister.

The government last week ordered a campaign to root out leftists and dissidents who it said were stirring up the nationwide labor disturbances.

A union leader at Daewoo Shipbuilding & Heavy Machinery in the southwestern island of Koje said at a news conference Saturday that 12,000 workers would end a three-week strike. He said they would return to work Monday as agreed in exchange for a 23-percent pay increase.

On Friday night, protesters ransacked the shipyard offices after the police intercepted the funeral procession for Lee Suk Kyu, 21, and took away the coffin, to thwart

workers' plans for a martyr's farewell.

Fellow workers, ignoring his family's desire for a quiet funeral, had sought to bury Mr. Lee at a public cemetery in Kwangju, scene of a violent uprising in 1980.

Mr. Lee was the first person to die in the labor strife that began in South Korea on July 1, when President Chun Doo Hwan agreed to opposition demands for political reforms including free presidential elections this year.

There have been strikes at the automobile, electronics, transport, tourism and other industries.

The unrest has cost more than a billion dollars in lost production and exports, according to Trade Ministry officials.

The police said that about 700 disputes, more than half of them at taxi and bus companies, were continuing Sunday.

## Voting Campaign Begins in Turkey

Reuters

ANKARA — Campaigning began on Sunday for a referendum on Sept. 6 that Prime Minister Turgut Ozal says could lead to early general elections. Voting is compulsory.

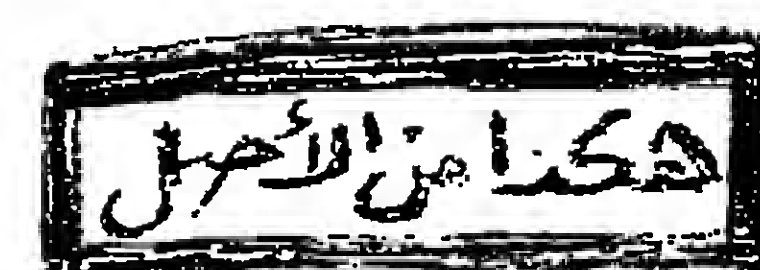
About 25 million voters will decide whether 110 leading politicians banned for 10 years by the military government in 1982 should be allowed to resume active party politics.

The referendum is taking place amid calls at home and abroad for more democracy in Turkey, which is a member of the North Atlantic Treaty Organization and has applied to join the European Community.

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# U.S. to Deny Immigration On Basis of AIDS Virus

By Mary Thornton  
Washington Post Service

WASHINGTON — The Reagan administration has announced that it will require everyone seeking immigrant visas to the United States and legal aliens seeking legal status to undergo testing for the AIDS virus, effective Dec. 1.

Those who test positive will be denied visas or legal status. Foreigners who go to the United States on nonimmigrant visas, including tourists, students and business people, will not have to take the test.

In final rules printed Friday in the Federal Register, the Public Health Service said a positive test for antibodies to human immunodeficiency virus, or HIV, would be added Monday to the list of eight "dangerous and infectious diseases" — including leprosy, tuberculosis, syphilis and gonorrhea — which constitute medical grounds for denial of a visa.

The rules state that "any person infected with HIV is assumed to be capable of transmitting the virus" for acquired immune deficiency syndrome.

The requirement has been criticized by some public health officials, who say many foreign countries do not have the facilities for sophisticated testing, and by groups representing legal aliens, who say it will further bog down the effort to register legal aliens under the new immigration law.

The test is expected to affect about 600,000 people who enter the United States each year on immigrant visas and 60,000 who enter as refugees, according to Vern Jervis, a spokesman for the Immigration and Naturalization Service.

Between two million and four million illegal aliens are expected to apply for legalized status under a one-year amnesty program that began in May.

The test will be required for every alien 15 years of age and older, as well as for younger aliens when there is any indication that they may have been exposed to the disease.

In most cases, an alien with a positive test will be excluded unless he or she can obtain a waiver from the attorney general.

The 500,000 aliens who have already applied for amnesty will be expected to obtain AIDS tests before they can receive permanent legal status, Mr. Jervis said. Those applying on or after Dec. 1 will be required to present an AIDS test with their application.

It is not clear what the immigration agency will do with illegal aliens who test positive. Under the law, information obtained through the legalization process is confidential and cannot be used to deport an ineligible alien. But aliens who do not qualify for amnesty will be denied work permits.

The testing requirement was proposed May 31 by President Ronald Reagan. In a speech, he called for mandatory AIDS testing of prisoners, immigrants, applicants for marriage licenses and people seeking treatment for drug abuse or sexually transmitted diseases.

On June 2, the Senate voted unanimously to ask for mandatory AIDS testing for immigrants.

In July, AIDS was added to the list of contagious diseases that could be used as a basis for excluding an alien. The final rules, substituting HIV infection for AIDS, will affect more immigrants because people who test positive for the virus often have not developed AIDS symptoms.

The rules concede that there are serious questions about how the testing requirement will be carried out for certain refugee groups, particularly Soviet Jews, Vietnamese and Cubans, or in emergency situations. Those cases will be worked out by the attorney general and the secretary of state and health and human services.

## Reagan Raises Pay Scales for Federal Workers

The Associated Press

LOS ANGELES — President Ronald Reagan has ordered a 2-percent pay increase for federal white-collar civilian employees, saying that it fell far short of matching comparable pay scales in private employment but that economic conditions warranted it.

Federal law requires the president to make a decision each year on what, if any, pay adjustment should be provided for federal employees under the general schedule and related pay systems.

Mr. Reagan said Saturday that his pay advisers had told him that an increase averaging 23.74 percent, effective in October, would be required to make federal pay rates comparable to private sector rates for the same levels of work.

He said he was ordering the lower increase under part of the law permitting him to do so in case of "national emergency or economic conditions affecting the general welfare."

## 7 Die in South Korea Storms

The Associated Press

SEOUL — At least seven persons were killed, four were missing and about 700 were left homeless Sunday after heavy rain triggered landslides and floods in South Korea, officials said.



Clifford Ray, center, with, from left, Robert, Candy, Ricky and, behind Candy, Randy.

## Home of Boys Exposed to AIDS Virus Burns

The Associated Press

ARCADIA, Florida — A fire that officials termed suspicious has gutted their home of a family whose three sons have been exposed to the AIDS virus. The mother of the boys said the family would leave the county.

"I will not go back," Louise Ray said Saturday by telephone from her attorney's office in Sarasota. "The kids are not going back to school there because

next time I might not be so lucky and my kids cannot be replaced."

The fire Friday night capped a week of bomb threats, death threats and a boycott of the elementary school where the boys returned to classes last week.

Mrs. Ray and her husband, Clifford, and their children, Ricky, 10, Robert, 9, Randy, 8, and Candy, 6, were away from home when the fire broke out. The children's uncle, Andy Ray,

27, was asleep in the house, but escaped with a friend's help.

The Ray boys were barred from school last autumn after they tested positive for antibodies to the virus that causes acquired immune deficiency syndrome. They are hemophiliacs and are believed to have been exposed to the virus through a blood factor they take.

They show no symptoms of AIDS. A federal judge ordered them readmitted to school.

## Lee Marvin, Hollywood Tough Guy Who Led 'The Dirty Dozen,' Dies

The Associated Press

TUCSON, Arizona — Lee Marvin, 63, the actor who won an Academy Award as a drunken gunfighter and his evil twin in "Cat Ballou" and was a party in a major "palimony" lawsuit, died of a heart attack Saturday. He had been hospitalized since Aug. 13.

### Bad Guy to Tough Guy

By Dennis Hevesi  
New York Times Service

Mr. Marvin was born into a wealthy New York City family in 1924. At the age of 4, he ran away from home and was not found for two days. "I wasn't having any too much discipline even then," he said in a 1966 interview.

He was sent to a succession of exclusive Eastern boarding schools and expelled from some for such infractions as throwing a roommate from a second-floor window and illicit cigarette smoking with three female classmates.

In 1942, with his father's permission, he dropped out of a prep school in Florida to join the U.S. Marine Corps. "After a sheltered life I went the other way," Mr. Marvin said. "I wanted to prove how tough I was."

Mr. Marvin made 21 Pacific island landings as a scout sniper before a Japanese bullet severed a nerve just below the spine and left him hospitalized and in rehabilitation for 13 months.

When he recovered from his war wounds, he drifted aimlessly through a score of menial jobs until his work as a plumber's apprentice, digging septic tanks near his family's home in Woodstock, New York, took him to the premises of a local summer-stock playhouse. As a lark, he asked for an acting job and got a role.

After a series of small roles, he earned a part in a Broadway production of "Billy Budd." That was followed in the early 1950s by more than 200 featured roles in television dramas. Those roles led to a bit part in a movie that prompted Mr. Marvin to move to the West Coast.



Lee Marvin

ferred one last chance to redeem themselves as "The Dirty Dozen."

His other well-known movie roles include "The Caine Mutiny," "The Iceman Cometh," "The Man Who Shot Liberty Valance," "Raintree Country," "Paint Your Wagon," "Bad Day at Black Rock," "Donovan's Red," "The Wild One," "The Glory Brigade," "Ship of Fools" and "Eight Iron Men."

In 1979, Mr. Marvin was the respondent in a landmark case that constituted the first legal test of "palimony," or the reciprocal property rights of unmarried couples.

He was sued by Michele Triola, a former singer with whom he had lived for six years. Miss Triola contended in her suit that she and Mr. Marvin had an agreement to share the property acquired during their relationship. She sought half of the \$3.6 million that he had earned while they lived together, and \$100,000 for the loss of her career.

In April 1979, a Superior Court judge rejected Miss Triola's claims, saying he found no legal basis for her contention that she had either an expressed or implicit contract with Mr. Marvin to share his assets.

### Other Deaths:

Maurice Laporte, 86, a writer and a leader of the French Communist Party in the early 1920s, Wednesday in Geneva of leukemia.

Richard M. Montgomery, 75, a retired lieutenant general of the U.S. Air Force and a chief of staff of the Strategic Air Command in the 1950s, Thursday in Bradenton, Florida, of complications after neurosurgery.

Hans V. Taft, 76, an intelligence agent for the Allies who had a variety of assignments behind enemy lines in World War II, Aug. 24 in Gilbertville, New York, of heart failure.

The Reverend Joseph J. Harnett, 76, who directed refugee relief projects for the Catholic Relief Services for almost four decades, Wednesday in Darby, Pennsylvania, of cancer.

## 6 Airlines In U.S. Face Fines Unless Delays End

By Mark Ports  
Washington Post Service

WASHINGTON — Under pressure from the Department of Transportation, six of the biggest airlines in the United States have agreed to attempt to reduce delays for most of their flights.

Under the agreement, the airlines could be fined if delays are not reduced.

The department, in the strongest action to date to combat airline delays, got the carriers to sign consent agreements on Friday under which they promise to modify their schedules at four of the busiest U.S. airports so that, by April 1, flights will arrive or depart within 30 minutes of their published schedules at least 75 percent of the time.

The penalty for consistently late flights will be up to \$1,000 per flight per day, according to a department spokesman.

The airlines agreeing to the program are American, Delta, United, USAir, Continental and Eastern. The agreements involve flights by those airlines into or out of the major airports at Atlanta, Dallas-Fort Worth, Chicago and Boston.

"The American people have a right to truth in airline scheduling," Transportation Secretary Elizabeth H. Dole said in a statement.

A Federal Aviation Administration study found that airline delays increased by 25 percent last year. Some flights at the four airports were at least 15 minutes late 70 percent of the time, according to the FAA.

The problem has been traced in part to airline schedules that concentrate a large number of flights at certain times. The department has been attempting for months to get airlines to change their schedules voluntarily, but apparently it has not been satisfied with the progress.

Mrs. Dole wrote to the six airlines earlier this month to request that they sign such an agreement. The airlines and the department then negotiated a compromise limiting the action to the four airports. Given the number of airlines and the importance of the airports involved, the agreement likely will affect a majority of the nation's scheduled air service.

Under the agreements, the six airlines are to modify their schedules so that at least half their flights to and from those four airports operate within 30 minutes of scheduled times by Nov. 1. The requirement increases to 75 percent April 1. Allowances will be made for



Elizabeth H. Dole

flights delayed by weather and equipment problems, according to a department spokesman.

"This is focused on flights that are chronically late," he said.

Some of the airlines that signed the agreements praised them as a boon to the industry. Delta said the action "should be instrumental in further reducing delays in the operation of airline flights."

But other airlines, including Eastern, said they were not pleased by the Transportation Department's tactics in forcing them to sign the agreements.

"Eastern signed, but we believe that this was a very poor example of the governmental process in action," the Miami-based airline said in a written statement. "We were presented with a fait accompli this afternoon. That is no way to run a delicate and sensitive industry. We have definite and serious reservations about the actions taken today."

## U.S. Wants Some Clinics To Stop Telling Women About Abortion Option

By Spencer Rich  
Washington Post Service

WASHINGTON — Otis R. Bowen, the U.S. secretary of health and human services, has proposed tough new anti-abortion regulations that would bar all family-planning clinics receiving federal funds from informing pregnant women about abortion.

The proposed regulations, announced Saturday, are designed to carry out President Ronald Reagan's pledge to expunge all abortion information and referrals from the government's \$143-million-a-year Family Planning Program.

They also would require an organization that runs a family-planning clinic with federal funds but carries out abortion activities with its own money, to keep the two functions totally apart, with separate offices, entrances, telephone numbers and medical and financial records.

"Abortion has no place" in the Family Planning Program, Mr. Bowen said.

After a 60-day period for public comment, final regulations will be published.

Douglas Johnson, legislative director of the National Right to Life Committee, an anti-abortion group, praised the new proposals and said, "If these rules stick, they'd dispel much of the controversy surrounding the program."

But Scott Swirling, executive director of the National Family Planning and Reproductive Health Association, said that if the proposed regulations are not changed, his organization probably will seek court action to block them because, he

said, they deny information to pregnant women on all medical options.

Jody Frisch of the Planned Parenthood Federation of America, which favors retaining abortion as an option, said: "It's medically unethical not to inform a woman of all her options. We are looking into the possibility of legal action."

Under the Family Planning Act of 1970, the government makes grants to hospitals, state and local health agencies and private groups such as Planned Parenthood to provide contraceptives and other family-planning services and advice to women.

The law forbids abortion as a method of family planning under the federal program and thus bars the use of federal funds to perform or advocate abortions. But it does not bar a group that receives federal funds from using its own nonfederal funds to perform or advocate abortions outside the federal program.

Current rules require that when a woman who is unintentionally pregnant seeks advice from a federally financed clinic on how to handle the pregnancy, it must inform her that abortion, keeping the baby or putting the baby up for adoption are all options. On request, the clinic must provide her with a list of abortion clinics not financed by the government.

Abortion opponents have complained that the rule requiring a list of options and outside abortion clinics has the effect of promoting abortion and should be rescinded as violating the 1970 law. Mr. Bowen, endorsing this view, said Saturday, "It is unrealistic to assume that counseling and referral concerning abortion do not promote or encourage abortion."

## N.Y., in Shift, to Hospitalize Mentally Ill Homeless People

New York Times Service

NEW YORK — New York City will hospitalize mentally ill homeless people involuntarily if they are deemed "incapable of taking care of themselves," according to Mayor Edward I. Koch.

The policy vastly expands the city's standards for who can be taken for treatment against his will. In the past, the city, concerned that it would be infringing on the legal rights of the individual, had acted only when a person was found to be in "imminent" danger to himself or others.

But the mayor said that past interpretations of the law concerning such hospitalizations had been too

## Madonna Concert Takes Heavy Toll

Agence France-Press

PARIS — Between 2,500 and 3,000 fans received first aid Saturday night at an open-air concert near here by the American rock singer Madonna, officials said.

Officials said most of the victims had been affected by "heat, sun and fatigue." Attendance at the concert in Sceaux, south of Paris — 130,000 according to local officials — was a record for a concert in France, officials said.

On Monday, Madonna will sing in the southern French city of Nice before going to Italy.

These are just some of the writers in 'Our Century/Our World', the IHT Centennial Magazine, free with the issue of September 16th.

Our Century/Our World is a 160-page color magazine that tells the story of the last one hundred years — from the unique vantage point of the International Herald Tribune, the world's premier global publication.

This is a thoughtful, elegant look at our times in words and pictures, to be read and reread, passed along and saved as something very special.

All International Herald Tribune subscribers and newsstand buyers will receive a copy of Our Century/Our World free with the issue of Sept. 16th. Be sure to ask for your copy at your newsstand.

If you have any difficulty in obtaining your copy please write to Robert Farré, IHT, 181 Avenue Charles-de-Gaulle, 92521 Neuilly Cedex, France. Tel. (1) 46 37 93 64. Telex 612 832.

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Edward Behr on movies  
Michael Ledeen on bridge  
Olivier Todd on cultural crises  
Jim Hoagland on propaganda  
Gloria Steinem on feminism  
Anthony Sampson on industrialization  
Mary Blume on the IHT  
Arthur Schlesinger on industry  
Willie DeLoach on F

INTERNATIONAL POSITIONS		
You will find below a listing of job positions published last Thursday under the rubric International Positions.		
TITLE	SALARY	EMPLOYER
INT'L DEVELOPMENT DIRECTOR	\$36,471-\$52,707 pa	Wisconsin.
ASSISTANT OF CHAIRMAN	Good	American Company.
PROFESSIONALS IN HYDROCARBON PROCESSING	Competitive	ADNOC.
CHIEF, APPLICATION SYSTEMS DEV. & SUPPORT		Int'l Organization.
Chief, End-User Computing & Office Systems		Int'l Organization.
Senior Information Systems Officers Experience		Int'l Organization.
Information Systems Officers Experience		Int'l Organization.

If you haven't seen last week's INTERNATIONAL POSITIONS rubric, please ask for a free copy: Max Ferraro, INTERNATIONAL HERALD TRIBUNE, 92521 Neuilly Cedex, France. Tel. (1) 46 37 93 64. Telex 613595

INTERNATIONAL Herald Tribune

Published With The New York Times and The Washington Post

Realism About Moscow

Last week an autumn summit meeting looked like it was the day, and the week rang with speeches about U.S.-Soviet relations. Addressing Russians and Americans gathered in Chautauque, New York, Governor Mario Cuomo of New York, President Reagan and Senator Bill Bradley of New Jersey gave the topic very different turns. Yet their speeches all made one compelling point. As Mikhail Gorbachev starts to restructure the Soviet Union, the relationship between the superpowers could undergo a restructuring of its own. The U.S. response is only now being developed, but the subject has seized America's imagination. Mr. Cuomo's speech was marked by lofty sentimentality welcoming change. "This is the time to begin to recognize an end to the cold war that for 40 years has chilled peace in the name of self-protection," he told the conferees, with little recognition of why it has so long endured. He spoke of embarking on "a new realism" and of scorning old stereotypes, but skipped lightly over the depth of the divisions. It was little more than a host's welcoming speech. Mr. Reagan, his words beamed from Los Angeles, also welcomed the prospect of change. Yet he gave a very different idea of what change requires. If the Russians would tear down the Berlin Wall and withdraw their troops from Afghanistan, rescind the Brezhnev doctrine and open up their military bud-

Another Coup Attempt

Contemptible Sabotage One thing needs to be well understood by disaffected Philippine soldiers, would-be juntas and the friends of Senator Juan Ponce Enrile: Their repeated attempts to capsize the legal government of the Philippines are regarded as acts of political vandalism by most of the world. Had this latest attempt succeeded, most other countries—including the United States—would have regarded it as criminal and treated it accordingly. Some of the coup makers had evidently persuaded themselves that because they claim to be fervently anti-communist, conservative governments abroad would receive them with sympathy. That was a gross mistake. The crucial distinction is that President Corason Aquino's government is a genuine democracy, while the coup makers have something quite different in mind. When the fighting broke out on Friday, President Reagan immediately and forcefully warned them that his support for Mrs. Aquino is unqualified. They would be wise to take him at his word. The attacks were the fifth coup attempt since Mrs. Aquino came to power 18 months ago. Some of the others were pretty inept, and the government was lenient in dealing with the leaders—perhaps mistakenly. This latest affair was much more violent and bloody. Mrs. Aquino will no longer be able to let it pass. This time too many people died. When Mr. Enrile took his seat as an elected senator two weeks ago, a lot of people in the Philippines took that as a very good sign. It meant, they thought, that the possibility of further military subversion had declined and that the opposition to Mrs. Aquino had turned to constitutional and parliamentary methods. But Mr. Enrile is a man who changes sides easily and remorselessly. As defense minister under the departed Ferdinand Marcos, he played a large part in

New Light on a Crisis

The Cuban missile crisis has become the textbook case of how to win and lose in the nuclear age. According to the lore, John Kennedy went eyeball to eyeball with Nikita Khrushchev, and the Soviet leader blinked and removed his missiles from Cuba. Twenty-five years later, the story is not so simple, and it teaches more than toughness. The more that becomes known, the clearer it becomes that the United States was operating with enormous strategic superiority. All the Kennedy talk about Moscow opening up a "missile gap" was nonsense. Increasingly it seems that the last thing the two leaders desired was direct confrontation. President Kennedy was prepared to go much further in the search for compromises than he and his aides ever let on in 1962. New evidence of that was reported in Sunday's New York Times Magazine. President Kennedy ordered Secretary of State Dean Rusk to lay the ground for a previously unknown concession to Moscow. The president enjoined him to tell only one person, who, on further instructions, was to transmit the concession to U. Thant, the secretary-general of the United Nations. Mr. Rusk kept the secret until last March, when policy makers in the 13-day crisis met to remember. The concession, never actually proffered, was this: U. Thant was to propose that the United States remove its missiles from Turkey in return for the withdrawal of Soviet missiles from Cuba. The United States would agree. Until that point in the crisis, in return for the Soviet missile withdrawal, President Kennedy had pledged only not to invade Cuba. He had also authorized Robert Kennedy, the attorney general, to tell the Soviet ambassador of the intention to take the American Jupiter missiles out of Turkey. The president's brother was to stress that

this was not a trade, because Washington planned to remove the Jupiters in any event. He was also to impress on the Soviet envoy that if Moscow so much as hinted at a deal, all bets were off. President Kennedy's judgment, shared by his advisers, was that even the suggestion of a trade would reward secret Soviet transgressions in Cuba, undermine the Atlantic alliance and make John F. Kennedy look exceedingly weak. The Rusk revelation shows that the president was willing to accept an explicit trade, even though that would have cost him dearly politically. Mr. Kennedy was struggling to find a way to end a crisis in which he found the chances of nuclear war to be "between one out of three and even," as recorded by Theodore Sorensen, his speech writer. Moscow clearly bears the overwhelming burden of guilt for the crisis. It deployed the missiles in Cuba secretly and lied about it. But John Kennedy was not without blame. He had campaigned charging that President Eisenhower had let Moscow gain superiority in nuclear arms—the famous "missile gap." The charge was untrue. At the time of the missile crisis, America had 2,000 long-range missiles, the Soviet Union less than 100. But the charge generated political hysteria that did not stop with the 1960 election. It came back to haunt John Kennedy. The actual gap, in America's favor, was also recalled by the men who gathered to reconstruct those 13 days of October, days deeply etched into gold Tiffany calendars that the president later gave each of them. With exceptions, the group chose to remember that he was prepared, as McGeorge Bundy put it, "to go the extra mile to avoid a conflict, and to absorb whatever political costs." Perhaps so. Yet the story they told 25 years ago was much more frightening. — THE NEW YORK TIMES.

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Her Enemies Prove Her Success, but Much Is Left to Do

By Peter Schmeisser

NEW HAVEN, Connecticut — The coup attempt that has gripped the Philippines is not a precursor to collapse but rather a symptom of stability. The fifth uprising in President Corason Aquino's tenure is also an act of desperation by extremists who fear that the middle ground in politics is growing. The drafting of a constitution, the rescheduling of debts, congressional elections last spring and the convening of Congress in July have all been cornerstones in a more stable national government. Like the occupation of the Manila hotel and Ferdinand Marcos's aborted invasion, the current outburst is a backlash against such democratic developments. In short, moderate democracy coupled with the slow-moving bureaucracy of measured governance are poisons to extremists on the right and left of the political spectrum. Right-wing militarists like Colonel Gregorio Honasan, who reportedly led the revolt, and guerrillas representing the communist New People's Army stand to see much of their support and clout diminished when Congress and the Aquino administration are more firmly established. Leaders on either fringe, recognizing that the era of armed coups may soon be supplanted by an era of congressional panels and legislation, are scrambling to keep President Aquino off balance. Last spring, for example, New People's Army strategists and their rightist counter-

parts, discouraged by stalled campaigns in the provinces, shifted their battle lines to Manila streets. Three months of bombings and assassinations of police officers have followed. This new urban assault has had little effect on the 18-year-old war against communist insurgents. It was not intended to. The summer

The most glaring failure is land reform, which was a principal plank in the presidential campaign.

of urban violence, culminating in this latest episode, was aimed at crippling the new enemy: the Aquino administration and Congress. In an interview late last month, New People's Army assassins summed up the radical position. Explaining that even modest reforms would undercut their support, one said: "Our clear opposition is government — a government that works slowly and does not cheat." But if President Aquino is enduring the growing pains of success, she is also confronted by past and present failures. The most

glaring of these is land reform, a principal plank in her presidential campaign. All efforts to restructure the country's feudal agricultural economy were put off until the Comprehensive Agrarian Reform Program in July. The watered-down proposal, which carefully avoids grappling with contentious issues like reorganization of existing sugar and coconut plantations, disappointed many of Mrs. Aquino's supporters who viewed the program as too little, too late. President Aquino should have initiated land reform in the wake of her considerable election mandate. Instead she fumbled the issue, turning it over to a Manila newspaper publisher, "Join with land reformers beyond recognition."

Land reform remains the leading issue on Mrs. Aquino's agenda. Until she shows resolve to enact more than cosmetic changes in the hacienda system, the communist insurgency will continue to enjoy support among landless and unemployed Filipinos. Renewed clashes between government troops and the communists have consistently accomplished only two things: They have displaced thousands of rural poor and have lent credibility to radicals like Colonel Honasan. The most effective offensive that Philippine

leaders could mount against the New People's Army is on an economic front.

The 18 months that followed the 1986 revolution has not only made land redistribution and the formation of rural cooperatives more difficult, they have complicated the task of ending the Philippines. Long speeches by Philippine congressmen warning the inadequacy of agrarian reforms and the large sums of financial and material aid Manila, preferring to circumvent the existing government and administer the assistance themselves. What the American job to assist Mrs. Aquino in her struggle for stability? In addition to a firm hold on Mr. Marcos in Honolulu and pledging unwavering support for Mrs. Aquino and her government, Washington should embrace the current land reform proposal despite its flaws. Aid dollars specifically earmarked to purchase land for cooperative tools for cultivation, would be a wise investment for future relations with Mrs. Aquino and her successor.

Mr. Schmeisser is a writer who has lived and worked in the Philippines and written on land reform and politics there. He contributed this column to the New York Times.

Dealing With Moscow: The 'New Realism' Doesn't Erase the Old

By A.M. Rosenthal

NEW YORK — Mario Cuomo certainly can make a beautiful speech. He did it again the other day, talking about Soviet-American relations. It was a speech full of hope and emotions about the future, soaring above doubt and despair. The governor of New York can make an even better speech in private about what he really had in mind when he spoke in public. Ambiguities are cleared up, problems are answered or at least acknowledged, deep moral differences are stated instead of leaped over, the lean prose of

Speaking plainly about things that the Russians know to be true is not picking unnecessary fights but dealing with them as equals.

reality is confronted, replacing the plump poetry of the dream orator. Before a large Soviet-American discussion group in Chautauque, New York, the governor called for a "new realism" between the two countries. He spoke of the stupidity of spending trillions on arms while millions of people around the world lived in desperation. He admitted certain differences in attitude between the two societies and said the time was at hand for an end to the cold war that the great powers had "endured" for so long.

Hell-Bent Toward an Arms Control Treaty

FOR once, the Reagan administration's right-wing critics are on the mark. The administration is hell-bent on signing an arms control treaty before Mr. Reagan leaves office. Almost any treaty, however rash or defective, will do. The no-concessions-barred policy began to crumble last fall at the sudden Reykjavik summit, a scattered exercise in bidding that soon collapsed of its own absurdity. Unfortunately, no such collapse is in prospect for the far riskier gamble inherent in the pending "intermediate-range force" treaty talks. On the day the intermediate-range systems are removed, the military balance on the European continent will tip decisively in the Soviets' favor. Zero-zero will render the Soviet Union stronger militarily in Europe than it has been for a generation. And this state of affairs will have been ushered in by the president who spent most of his first term denouncing Soviet debtfulness. The reversal would be comic if it weren't so very dangerous. — Edwin M. Yoder Jr. in The Washington Post.

A Simple Idea at the Right Time Can Do Wonders

By Jean-Jacques Servan-Schreiber This is the first of two articles.

PARIS — In Paris, almost 40 years ago, I met a modest man who was going to become the foremost European of our era. He was motivated by a breathtakingly simple idea: putting an end, once and for all, to more than a century of French-German hostility. His name was Jean Monnet. I encountered his deep passion one day in the summer of 1948, when he invited me to join him for lunch. After questioning me methodically about my two recent visits to West Germany as a correspondent for Le Monde, he asked me to look at the

'We must find a completely different way,' Mendès-France said before the Geneva talks.

map on my left where a very large map of Europe was displayed. He had circled France and Germany. "You see," he said, "our problem is to avoid, this time, the pitfalls of all previous occasions. How can we create an ambitious but realistic pattern by which France and Germany would cease once and for all to be external enemies and be made to be partners in a common venture?" "If we solve this century-old fatal flaw, we should be able to advance on a whole new range of world problems. But this one, at the heart of Europe, has to come first. If not — Europe will remain divided, weak, and on the way to its final decadence."

Monnet was gazing constantly at the map — that circle, these two eternal enemies, a torrent of blood, it seemed, between them: the Rhine. What he was looking for, this public policy manager, this transnational mind, was nothing less than the key to a miracle. I knew how right he was. I made some remarks, in a mood of approval and encouragement. It went on until he started scribbling notes on a pad in front of him. Before I left he mentioned that he would probably draft a short memo on some intuition that had come to him during the discussion. He did indeed put his draft of a solution to the problem of France and Germany in a memo of three short, hand-written pages. It was the outline of what came to be known as the Monnet plan.

He stated his bold innovation in the simplest language: "The basic instrument of war between our two great enemies has been made from the resources: coal and iron, of both France and Germany, on the borders of the Rhine River. The resource of iron will not be reversed by nice feelings or good speeches. Let us go to the very root of things and propose that France and Germany put all their steel-making

capacities in one common pool, governed by one common authority. "This supranational agency will be controlled by a common board chosen by both parliaments, with its own executives. No part, whatsoever, of French or German coal mining or steel-making capacities should remain outside the control of this new and common High Authority." The Coal-Steel Pool was set up. One by one, the other concerned countries — Italy, Belgium, Holland, Luxembourg — joined this first basic pact, forming the six-nation Community. And then, year after year, they decided together, following the pool's logic, to enlarge the concept and the authority, giving birth to the European Common Market, then the European Economic Community. The movement, reversing centuries of history, had become irreversible.

That episode, the birth of a new Europe, shows the results that the clarity of one mind can have, at the right moment. Can it be an inspiration for our new, larger challenges of today? Consider another example. If difficult decisions were required for the complex construction of Europe, they were dwarfed by one public policy problem of historical dimension: How, for all of us, to accept and manage the end of the colonial era for Western civilization, the end of our control of so many, and such large, Western-dominated countries in Asia

seemed to be saying: "What will you have? I'll take vanilla." And in the speech the cold war seemed to be something that just happened somehow. The occupation of Poland, the Baltic states, Czechoslovakia, Hungary, Bulgaria and Romania were never mentioned. They were wrapped in the cold war unpleasantness and it was the "two mighty nations" that had to "endure" it, not the victims. The governor says he did not deal with them because he had only 13 minutes, was addressing Soviet guests and was looking to build bridges, not pick fights. Speaking plainly about things that the Russians know to be true, not picking unnecessary fights but dealing with them as equals — not a merely a "well ordered" society? He

Why a Good Reagan Speech Flopped

By William Safire

WASHINGTON — Why is it when Ronald Reagan speaks seriously and makes good sense on the most vital matters of his words no longer carry weight? Last week, he made the best speech on relations with the Soviet Union since his appearance at Westminster in 1982. He set forth a world view with intellectual coherence and a minimum of schmalz.

Mr. Reagan dared to remind us of the euphoria of the Great Powers in the meeting at Yalta in 1945, and of how Churchill's fears of Stalin's duplicity were realized. After the agreements of freedom and human rights in Eastern Europe became undone. For a president whose sherpas are even now preparing a summit, to speak of the hopes dashed by the Russians after Yalta is reassuring. President Reagan is promising not to take the failing FDR's path. Mr. Reagan restated his purpose: "our commitment to public candor about the nature of totalitarian rule and about the ultimate objective of United States foreign policy — peace, yes, but world freedom as well." Emphasis on "the extension of freedom" is catnip to conservatives

and bitter apple to accommodationists. He acknowledged the "interesting" changes in the Soviet Union, but suggested that we not go overboard on glasnost: "We must deal with the Soviet Union as it has been and as it is, not as we would hope it to be." The president indicated how deeply he could speak louder than words: In April of 1987, we asked that a date be set this year for rapid and complete withdrawal from Afghanistan. In June, that the Soviets join us in abrogating the divisions of Berlin and begin with the dismantling of the Berlin Wall; that the Soviets move toward self-determination in East Europe and rescind the Brezhnev doctrine.

And he urged the Russians to "show some glasnost in your military affairs" by publishing a valid budget of military expenditures that would show the size and composition of their armed forces, as America does. Such authentic steps toward openness go far beyond hands-across-the-sea rhetoric, or the political rehabilitation of the anti-Stalinist Nikolai Bukharin. Soviet propagandists frown at Mr. Reagan's tone; he is showing how far the Russians have to go to make genuine changes in foreign policy, and they don't want anybody to be reminded of that, least of all East Europeans. But that is what Mr. Reagan promised to do, urging Moscow to "fulfill the promises made at Yalta but never acted upon. Perhaps it is not too much to ask for initial steps toward democratic rule and free elections. And I hope to address this matter more fully before the United Nations General Assembly." This Reagan speech was piped to the conference of Russians and Americans organized by John Wallach at Chautauque, New York. It contrasted vividly with the oleaginous welcome given by New York's Governor Mario Cuomo. In his first venture into foreign affairs, Mr. Cuomo missed the gravitas train, grasping at what he saw as "a new slogan" to move toward demilitarization; he seemed to be angling for an invitation to tea with Mikhail Gorbachev when the governor visits Moscow next month. Although the Cuomo "new realism" smacked of the old moral relativism, the Reagan tone resonated in Democratic Senator Bill Bradley's sober speech later in the proceedings. The president speaks clearheadedly on the central issue. Why did his words have so little impact at home? Lameduckiness is too glib an answer; he has time to act.

Nor is the public's disbelief in his Iran-contra protestations the main source of his fast declining relevance, because such straggling disbelief has not turned to active distrust. The reason for the ineffectiveness of his written words to the public is that Mr. Reagan's unwillingness to hold regular news conferences betrays a weakness in his commitment. He can read a speech, but is that what he would say, ad lib, under pressure? He skulked out of town after the hearing, nobody can tell if this position is the president's own or is a tough-sounding cover for nascent Nancivism. The reason the arms-reduction proposal is skeptical of the depth of his skepticism is this line inserted in his speech: "Even on-site inspections are not a panacea." His verification requirements are rapidly eroding on the pretense of protecting U.S. missile-site secrecy, the Reagan administration's backing away from the mutual on-site inspection that the United States has sought for years. Mr. Gorbachev called the verification bluff and Mr. Reagan is folding his cards. That is why a solid speech vanished into California's evanescent mists. — The New York Times.

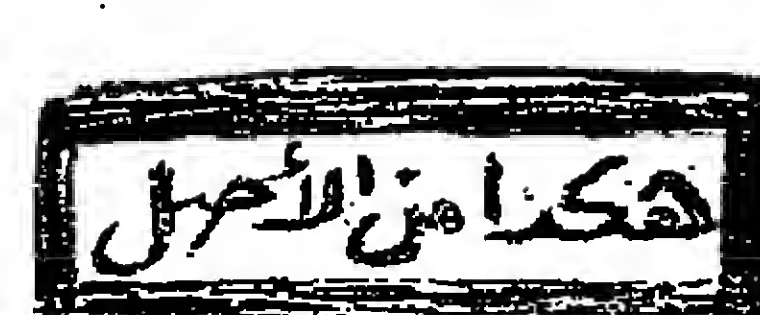
IN OUR PAGES, 75 AND 50 YEARS AGO

1912: Exit Spendthrift

NEW YORK — Mr. Irving Childs, a young man of twenty-six years, the most spectacular spendthrift Broadway has ever known, died [on Aug. 29] of pneumonia. In five years he had thrown away nearly \$1,000,000. Mr. Childs inherited from his father's estate an income of \$100,000 a year on his twenty-first birthday, and he later came into a further inheritance, which he employed in Stock Exchange operations, with "Aladdin's lamp" luck. He secured his own appointment as Deputy Sheriff and carried a pair of gold handcuffs and a gold revolver studded with gems. He was known to Broadway gentlemen, and often, when some unimportant arrest was to be made, Mr. Childs bribed a detective to permit him to arrest the prisoner. Anytime who could introduce him as Mr. Irving Childs, the famous detective, could always borrow money from him.

1937: A Nazi Network

STUTTGART — An exhibition of "educational sections" of the foreign organization of the Nazi party, which was opened here [on Aug. 30], threw a revealing light on the vast network of Nazi activities in foreign countries under the guidance and control of the Nazi home organization. The exhibition is devoted to cultural and educational work of the foreign organization. It consists of maps showing the four years' growth of the National Socialist movement among Germans abroad. These reveal that branches of Nazis have been established and function in all countries where Germans are domiciled, including the United States. The organizations foster the spirit of National Socialism among Germans residing abroad and to bind them closely to the Fatherland. To this end the organizations publish 37 newspapers and weeklies in foreign countries.



# A MESSAGE TO POPE JOHN PAUL II FROM THE SIMON WIESENTHAL CENTER



This photograph shows over 250,000 signed petitions from Americans of all walks of life calling upon Pope John Paul II to formally recognize the State of Israel.

As you prepare to leave on your visit to the United States, we feel compelled by recent events, and especially in view of your historic letter of August 8, to say to you publicly what we have already expressed to you privately.

These are critical times in the relations between the Vatican and the Jewish people: Times that need more than dialogue and kind words, times worthy of a noble deed.

For 20 centuries, the Church has isolated the Jewish people. Through pogroms and persecution, it extended its hand more often to the perpetrators than to the victims. It was too long in coming before Pope John XXIII reached out across the abyss with the comforting words, "I am Joseph your Brother."

But today these words ring hollow, not only because of the trumpets that heralded the arrival of Kurt Waldheim to the Vatican, but even more so because of the deep silence signifying refusal to bear witness to the ultimate sign of Jewish renewal, the creation of the democratic State of Israel.

Your Eminence, the Vatican has full relations with 116 nations, among them democracies,

communist regimes, and totalitarian states. It has full relations with Fidel Castro's Cuba, Augusto Pinochet's Chile, and the Ayatollah Khomeini's Iran. In the 1930's the Vatican recognized Adolf Hitler's Third Reich.

In June 1987, Cardinal Glemp established a commission to recommend steps on how to secure full Vatican diplomatic recognition of General Jaruzelski's Poland, the regime that crushed Solidarity.

But in tragic irony, almost 40 years after the creation of the Jewish State, the Vatican still refuses to fulfill the spirit of Pope John XXIII's "I am Joseph your Brother." It does not recognize Israel as an equal among nations deserving full diplomatic relations.

Your Eminence, howsoever we may want to, we cannot turn back the clock of history. It is too late for the Holy See to speak out on behalf of the Jews who perished in the Holocaust. But it is within the Church's power to bear witness clearly and unequivocally regarding the Jewish State.

No one is better prepared to do this — than the Pope who suffered at the hands of the Nazis — who prayed at Auschwitz and Majdanek — who visited

the synagogue in Rome — the Pope who said "I wish we could create ever newer opportunities for showing 'what G-d would like the developing history of humanity to be: a fraternal journey in which we accompany one another'..."

Let history record that it was this Pope who stepped forward in the name of peace and reconciliation to recognize the Jewish State, and through it the most compelling event in the 2,000-year diaspora of the Jewish people.


I would like to add my voice to the Center's ongoing campaign urging the Vatican to establish full diplomatic relations with the State of Israel.

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## EUROBONDS

### In Climate of Uncertainty, A Market Hybrid Thrives

By JONATHAN ENCEL  
International Herald Tribune  
PARIS — If Voltaire's Dr. Pangloss were around today, he'd probably be doing a good business in convertible Eurodollar bonds. That's because for many securities investors, beleaguered by the twin uncertainties of entrusting money to either the volatile bond or stock markets, these hybrid issues do represent "the best of all possible worlds."

Last week's demand for the convertible bonds, which offer investors a below-market rate of interest but the option to convert the securities into stock at a current premium, would have confirmed the unflagging optimism of the good doctor. Investors were especially eager to snap up offerings from well-known U.S. companies, even though the New York Stock Exchange ended the week with three successive losses for the first time since mid-May.

Buyers pay a premium for convertibles but get a built-in hedge.

Three U.S. companies, International Paper Co., Texas Instruments Inc. and Weyerhaeuser, launched 15-year bond issues totaling \$575 million, with much of the demand coming from Japanese investors. At the same time, the heavy flow of equity-linked offerings from Japanese borrowers continued as Tokyo stock prices rose.

For investors, the three convertible issues offered the chance to participate in the recent bull market for U.S. shares. While buyers have to pay a premium, they also get a built-in hedge. If stock prices plummet, they at least get income from the bond's interest payment that exceeds the current yield on the stock itself. And the equity component helps protect the bond's value when interest rates are rising.

The borrowers, meanwhile, were able to take advantage of individual stock prices near their 12-month highs to arrange relatively inexpensive financing. Aside from winning competitive terms from their underwriters, they will be issuing fewer shares on conversion than if their stock were cheaper. As an added benefit, they will be expanding their pool of shareholders internationally.

"The convertible market both here and in Europe has been fairly strong for almost a year now," said William Boehmer, corporate vice president for finance at International Paper in New York. "What's really been unsettled is the debt markets."

**IN FACT**, figures from Salomon Brothers Inc. show that the volume of convertible Eurodollar bonds so far this year, at \$7.15 billion, has already surpassed the \$5.10 billion for all of last year.

Both International Paper and Texas Instruments had been eyeing the convertible market for some time, but finally decided on a European launch. "The terms in Europe for well-known U.S. names have been more advantageous than in the domestic market," said Christopher Carter, the syndication director for equity and equity-linked products at Credit Suisse First Boston Ltd. Mr. Carter is International Paper's lead manager.

Mr. Boehmer agreed, noting, "There appeared to be a market for well-known corporate names in Europe." In addition, he said, the immediate launch in the largely unregulated Eurobond market was attractive compared with the wait of a few weeks when registering a domestic U.S. issue with the Securities and Exchange Commission.

Speed also was important to William Boisvert, vice president for corporate finance at Texas Instruments in Dallas. "When you are dealing with what could be a very volatile equity market," he said, "you just don't want to have that risk for any length of time."

From Friday's perspective, both companies seemed to time their issues well. International Paper launched on Tuesday and TI followed on Wednesday, just before the NYSE began its decline. International Paper's stock ended the week at \$53, off the week's highs and down from \$54 1/2 the previous Friday. TI set a new 12-month trading high of \$77 1/2 on Wednesday, the day it launched its bonds, and later declined to a \$73 1/2 finish on Friday. However, this was still above the previous week's \$71 1/2 close.

International Paper chose a traditional structure for a U.S. convertible, to help refinance the \$1.1 billion acquisition last year of Hammermill Paper Co. The issue, with an annual coupon of 5 1/2 percent, will be used to reduce the company's current level of commercial paper, totaling \$400 million to \$500 million, where the variable rates have recently been over 6 percent.

The straight bond market had not been attractive since April's sharp rise in rates, said Mr. Boehmer, noting that "a conventional" all long-term debt issue would have been in excess of 10 percent. But Texas Instruments devised a new approach with its manage-

## Currency Rates

Cross Rates	Aug. 29	Aug. 28	Aug. 27
Australian	2.02	2.02	2.02
British (sterling)	1.63	1.63	1.63
French (franc)	6.55	6.55	6.55
German (DM)	1.78	1.78	1.78
Japanese (yen)	163.00	163.00	163.00
Swiss (franc)	1.48	1.48	1.48
U.S. dollar	1.00	1.00	1.00

Changes in London, Tokyo and Zurich. Rates in other centers, New York rates at 4 P.M. C: Commercial (France); B: To buy one pound; S: To buy one dollar; U: Units of 100; N.A.: not quoted; N.A.: not available.

Other Dollar Values	Aug. 29	Aug. 28	Aug. 27
Canada (dollar)	1.00	1.00	1.00
Denmark (crown)	6.46	6.46	6.46
Finland (markka)	5.94	5.94	5.94
France (franc)	6.55	6.55	6.55
Germany (DM)	1.78	1.78	1.78
Italy (lira)	2036.27	2036.27	2036.27
Japan (yen)	163.00	163.00	163.00
Netherlands (guilder)	2.20	2.20	2.20
Spain (peseta)	166.37	166.37	166.37
Sweden (krona)	4.66	4.66	4.66
Switzerland (franc)	1.48	1.48	1.48
U.S. dollar	1.00	1.00	1.00

## Last Week's Markets

Stock Indices	Aug. 28	Aug. 27	Aug. 26
DJ Industrials	2,609.25	2,609.25	2,609.25
DJ Utilities	262.01	262.01	262.01
DJ Transp.	1,042.04	1,042.04	1,042.04
S & P 500	322.40	322.40	322.40
Dow Jones	3,217.00	3,217.00	3,217.00
NASDAQ	182.99	182.99	182.99

## Bayer Profit Rises 4%

### But Group Sales Fell 6.9% in Half

By Steven Greenhouse  
New York Times Service  
LEVERKUSEN, West Germany — Bayer AG reported a 4 percent gain in group pretax profit to 1.53 billion Deutsche marks (\$854 billion) for the first half of 1987 and said world revenue fell 6.9 percent.

The chemical and pharmaceutical giant on Saturday attributed the depressed sales to the mark's rise against the dollar. Group revenue amounted to 19.03 billion DM, down from 20.43 billion in the first six months of 1986.

The group pretax profit compared with 1.49 billion DM a year earlier. But Bayer, citing strong demand for its plastics, fibers and raw materials, said it expected profit for all of 1987 to match or exceed last year's levels.

The company did not provide figures for second-quarter profit. But based on first-quarter figures, it had an indicated profit of 835 million DM, down from an estimated 930 million in the second quarter of 1986.

Although the mark's strength has declined to about 190 from 300 in the first half of 1986.

The volume of sales in the first half exceeded year-ago levels, the company said. It said that business in Western Europe, North America and the Far East developed favorably when calculated in local currencies.

The volume of sales of crop protection chemicals and animal health products dropped, Bayer said, but sales volume rose in plastics, fibers, polyurethanes, coating raw materials, inorganic pigments, chemical products and diagnostics.



Workers in French vineyards are gathering an increasing number of grapes for foreign investors.

## A Foreign Harvest Of French Wine

By Steven Greenhouse  
New York Times Service  
SAILLANS, France — With his Yale degree, Levi jeans and strolling French, Colin Ferenbach does not fit the image of a typical Bordeaux winegrower.

Nevertheless, Mr. Ferenbach, who runs a small investment firm in New York, is as eager as any winegrower to make a success out of the 72-acre (29-hectare) vineyard — Château La Vieille Cuvée — that he and several partners bought last winter.

In buying a century-old winery in this hamlet north of Bordeaux in southwestern France, Mr. Ferenbach and his partners have joined dozens of foreign investors from Japan, the United States, Denmark, Switzerland, West Germany and Britain. At least some admit that they wanted the glamour of owning a real French vineyard as much as the opportunity to make money.

"We thought we would combine our love of France and our love of wine with the possibility of making a profit," said Mr. Ferenbach, as he sat in his 1823 chateau near the famed wine-making town of Saint-Emilion.

Mr. Ferenbach and his partners, who include Peter Sachs, an investment banker with Goldman Sachs in New York, plan to invest "many hundreds of thousands of dollars" to improve the quality of their red wine from the Fronsac region.

"This little area we're in produces a good wine," Mr. Ferenbach said, but it needs some publicizing and a lot of investment. We see this as a turn-around opportunity."

Mr. Ferenbach and Mr. Sachs are by no means the first Americans to own wineries. Clarence Dillon, one of the founders of Dillon Read, the investment house, purchased Château Haut-Brion 50 years ago, while Alexis Lichine, the Russian-born American

wine magnate bought Château Prieuré-Lichine in the 1950's.

But in the 1960's and 1970's there was a hostile attitude toward foreign acquisitions and in fact France blocked an effort two decades ago by National Distillers, an American company, to buy Château Margaux, one of Bordeaux's five most prestigious estates.

Now the French government — particularly valuing long-term investors — has dusted off the welcome mat. In addition, the French owners are anxious to sell for a range of reasons: inheritance taxes, a lack of offspring to run the wineries, intra-family feuds about how to manage the châteaux, a wealth tax imposed by the former Socialist government

"We have always been interested in investing in the Bordeaux area because of its reputation," said Fleming Kaberg, a Danish liquor and wine importer who heads the syndicate that bought Château Fombrauge.

"We think it's a good investment because there is a trend worldwide that people go more and more toward quality. People will always want a Mouton Rothschild, a Latour or other fine wine."

Leading the group of recent purchasers in terms of the price paid is Garantie Mutuelle des Fonctionnaires, a French insurance company that bought the 120-acre Château Beycheville for \$66 million, or about \$550,000 an acre.

Another big buyer recently was Touko Haus, a Japanese architecture and real estate firm, which paid an estimated \$16 million for Château Citran, a prestigious vineyard in the Haut-Médoc region northeast of Bordeaux. In one of the more unusual deals, a syndicate of 1,400 Scandinavian investors put up an estimated \$12 million to buy Château Fombrauge in Saint-Emilion.

These came three years after Suntory Ltd. of Japan paid close to \$10 million to acquire Château Lagrange, one of the largest Bordeaux wineries and one that slipped years ago from the first tier of wine producers.

"When you buy a French vineyard you're not just buying a piece of land. You're buying a piece of history," said Robert Parker, editor of the Wine Advocate, a wine journal.

Because of the high prices of the most prestigious châteaux, many investors are shopping for second- or third-rung châteaux that are more reasonably priced.

Pascal Mesure, a Paris lawyer who has represented many foreign buyers, said, "Finding people with money to buy a vineyard is one thing. Finding people with money to carry out a 10-year investment plan to increase quality and sales is quite another."

or just the lure of the huge prices that châteaux are fetching.

There is a clear movement over the last few months by foreign investors," said Alain Berger, a French estate industry economist. "With all the economic volatility worldwide, people are recognizing that buying a Bordeaux vineyard is a very secure investment."

Indeed, vineyard prices have soared to more than \$500,000 an acre because of the recent wave of purchases by foreigners as well as by French insurance companies.

According to Mr. Berger, about 98 percent of the foreign investment in wine is in the Bordeaux region, with foreigners owning about 4 percent of the 200,000 acres of vineyards cultivated at Bordeaux's 4,000 châteaux.

## Lower Disc Tax Is Music to French Industry

By Jacques Neher  
International Herald Tribune  
PARIS — The government's surprise decision to reduce the value-added tax on sound recordings will help France's \$600 million industry emerge from a decade-long slump, officials say.

Prime Minister Jacques Chirac announced Thursday that, effective Jan. 1, the VAT on records, tapes and compact discs would be reduced from the current luxury goods rate of 33.3 percent to the standard 18.6 percent.

The change was viewed as the initial step in a drive to bring France's VAT rates in line with the 11 other European Community countries as they strive to create a "borderless" economic market.

However, the move was viewed at least in part as an effort to gain support among younger voters in anticipation of the May 1988 presidential election. Prime Minister Jacques Chirac announced the tax cut in an interview on a local rock radio station.

Patrick Fichet, executive director of SNEP, the French record industry association, praised the government's decision. He said that the industry had been lobbying for years for records to be taxed at 7 percent, the rate applied to books and other cultural products.

Mr. Fichet said he expected the government to lower the rate again by 1992 as part of the harmonization of VAT rates throughout the European Community.

The 33.3 percent VAT on records and tapes, imposed in 1968, is the highest in Europe. Ireland and Belgium levy a 25 percent VAT on these products, while Britain's is 15 percent and West Germany's is 14 percent. Italy's is the lowest at 9 percent.

"We expect the reduced VAT to lead to reduced prices and cause a very big increase in sales of all records, tapes and compact discs," Mr. Fichet said.

Patrick Zelnik, president of Virgin France, a subsidiary of the British record producer, described the departure of records from the luxury category as a "psychological shock" that would trigger an increase in demand. "This will permit us to produce more records and launch new talents," he said.

France's record market, the third-largest in Europe behind West Germany's and Britain's, has declined steadily since 1978, when consumers bought 158.5 million units. Last year, sales dropped 10 percent from 1985 to 108 million units, representing 3.6 billion francs (\$592 million) in retail sales.

A rise in compact disc sales this year has not halted the overall decline in sales of sound recordings so far this year. Despite a 129 percent increase in compact disc sales to 3.3 million units in the first quarter, the wider sector posted an 11 percent decline in sales volume.

Vinyl long-playing albums were down 32.5 percent, to 5.9 million units. The sales decline, combined with a rise in the number of mass marketers, has resulted in a severe shakeout in France's record retailing industry.

The number of record shops in France has declined from about 3,000 outlets in 1978 to only 300 today, according to Mr. Fichet. He said he was hopeful that the VAT reduction would encourage a turnaround.

The VAT rate cut is expected to result in retail price reductions of at least 10 percent. Most records and tapes are now priced at about 80

francs (\$13.15), while compact discs average 150 francs.

FNAC, France's largest record retailer with about 35 percent of the market, began lobbying publicly for a VAT cut in April.

In an experiment aimed at drawing attention to its campaign, FNAC announced it would price the new releases as if the tax had already been reduced to 7 percent, while continuing to pay the 33.3 percent VAT to the government.

Jean-Marie Gallais, record purchasing manager for FNAC, said that the price reductions have boosted unit sales volume by "around 20 to 25 percent" on all recorded media and 30 percent on the more expensive compact discs.

The Finance Ministry expects to lose 680 million francs in tax revenue because of the VAT cut. But industry officials, citing FNAC's experiment, say that the additional tax-generating sales will minimize the Treasury's loss.

The government's action meanwhile has brought a wave of entreaties from other French industries burdened by 33.3 percent VAT rates, including the auto and car rental sectors.

## Pickens Aims at a New Set of Targets

### Latest Takeover Candidates Are Outside the Oil Industry

By Mark Potts  
Washington Post Service  
WASHINGTON — It is a modus operandi that has served T. Boone Pickens well: Pick a company in the oil industry whose asset value is far in excess of its stock price, buy a big chunk of its stock, threaten a takeover, use the media to attack management and then sell out at a tidy profit.

Over the past few years, Mr. Pickens has used that formula to menace several major oil companies, including Gulf Corp., Phillips Petroleum Co. and Unocal Corp., with success that can be measured in the hundreds of millions of dollars. Mr. Pickens's raids have made him a national figure, the scourge of the oil patch and a darling of Wall Street.

But now Mr. Pickens has broken with his previous pattern. In a rapid-fire series of deals in recent weeks, he has shifted focus from the oil industry to aerospace, electronics and mining companies. He has stopped talking to the press.

And while his actions have left some Pickens watchers scratching their heads, others suggest that while the target industries and some of the strategies may have changed, Mr. Pickens still is playing his game of corporate brinkmanship — and likely will enjoy the same results.

"I think it's a way that he can turn a buck in the marketplace," said Craig Schwedert, an analyst at Morgan Olmstead Kennedy & Gardner, a Los Angeles brokerage.

Some experts say that while Mr. Pickens's recent runs at Boeing Co. and Singer Co. are unlikely to go beyond the profitable minority investment stage, Wall Street is taking his interest in Newmont Mining Corp., a metals, coal and oil firm, more seriously.

Mr. Pickens has purchased about 10 percent of Newmont and says he wants more, although he has stopped short of a full-scale takeover attempt. Many analysts believe he has a realistic chance of getting control of Newmont, unless he is just looking for a quick profit from the stock run-up his interest in the company ignited.

"Pickens is really interested in acquiring Newmont Mining, whereas I don't think he was really interested in acquiring some of the other companies, like Singer and Boeing," said William Siedenberg, an analyst with Smith Barney, Harris Upham & Co. Inc. "I think he'd like to acquire it and dismember it."

Experts say Mr. Pickens has to keep making deals to bring in income to keep his company, Mesa Limited Partnership, afloat. Mesa, which evolved from Mr. Pickens's Mesa Petroleum Co., does not bring in enough money from its oil

and gas operations to make its dividend payments, analysts say, so it must rely on deal-making to make up the difference. Mr. Pickens and his associates did not respond to requests for interviews.

It was perhaps inevitable that Mr. Pickens, a Texas oilman who built Mesa from scratch into one of the most successful independent oil companies in the United States, eventually would look beyond the oil industry for takeover targets.

For one thing, he was running out of big oil companies to threaten. And for another, increases in oil prices and the stock market over the past year have brought oil company stock prices more in line with the concerns' asset values, dulling Mr. Pickens's best weapon — his ability to argue that shareholders were being gypped by low stock prices.

"Relative to the values that were available in the oil industry over the past few years," Mr. Schwedert said.

See PICKENS, Page 9

Grains vs. Metals

Indigo

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	BID	ASK
Alon Jones Pit Stop	2 1/4	2 3/4
Bitter Corp.	1 1/2	1 3/4
Chiron	26 1/4	26 3/4
GoodMark Food	17 1/2	17 3/4
MAG Holdings	2 1/4	2 3/4
NAV-AIR	2	3
Spectrodyne	45	45 1/2

WITH COMPLIMENTS OF CONTINENTAL AMERICAN

These are indicative market prices





# New International Bond Issues

Compiled by Laurence Desvillettes

Issuer	Amount (millions)	Mat.	Coup. %	Price	Price and week	Terms
<b>FLOATING RATE NOTES</b>						
Chinbank Trust	£ 60	2009	3/4	100	—	Over 3-month Libor until 1997 and 3/4 over thereafter, payable monthly. Average life 7 to 8 years. Fees 0.10%. Pass-through trust mortgages.
NHL Second Funding	£ 100	2014	0.25	100	—	Over 3-month Libor until 1994 and 3/4 over thereafter. Average life 7 years. Fees 0.60%. Mortgage-backed notes. Additional £11 million privately placed.
<b>FIXED-COUPON</b>						
Merrill Lynch	\$200	1989	8 1/4	101	99.70	Noncallable. Fees 1 1/2%.
Postipankki	\$30	1990	7 1/2	101 1/2	—	Noncallable. Redemption amount will be linked to dollar/yen exchange rate. Fees 1 1/2%. Denominations \$1 million.
Sears Roebuck	\$250	1990	8 1/4	100 3/4	99.10	Noncallable. Fees 1 1/2%.
GMAC	ECU 100	1989	7 1/2	101	99.50	Noncallable. Fees 1 1/2%.
Vienna City	ECU 53	1994	8 1/4	101 1/2	99.63	Noncallable. Fees 1 1/2%.
Montreal City	CS 70	1990	10 1/4	101 1/2	99.25	Noncallable. Fees 1 1/2%.
Crédit Lyonnais	Aus\$ 60	1990	13 1/4	101.40	99.90	Noncallable. Fees 1 1/2%.
Marubeni Int'l Finance	¥ 5,000	1992	7 1/4	101 1/2	—	Noncallable. Redemption amount at maturity will be 55% in yen and 45% in Aus\$, with a fixed exchange rate of 100.50 yen per Aus\$. Fees 1 1/2%.
Republic National Bank (London)	¥ 3,000	1992	1	101 1/2	—	Coupon will be 1% in first 2 years, and 7 3/4% thereafter. Noncallable. Fees 1 1/2%. Denominations 20 million yen.
<b>EQUITY-LINKED</b>						
Aoki	\$100	1992	open	100	98.50	Coupon indicated at 3 1/4%. Noncallable. Each \$5,000 note with one warrant exercisable into company's shares at an expected 2 1/2% premium. Fees 2 1/2%. Terms to be set Sept. 3.
Asahi Glass	\$250	1992	3	100	—	Noncallable. Each \$5,000 note with one warrant exercisable into company's shares at 2.061 yen per share and at 142.70 yen per dollar. Fees 2 1/2%. \$200 million raised in Europe and \$50 million in Asia.
Hanwa	\$190	1992	open	100	97.50	Coupon indicated at 3 1/4%. Noncallable. Each \$5,000 note with one warrant exercisable into company's shares at an expected 2 1/2% premium. Fees 2 1/2%. Terms to be set Sept. 3.
Inf'l Paper	\$200	2002	5 1/4	100	99.50	Collable at 103 in 1990. Convertible at \$68 1/2 per share, at 23 1/2% premium. Fees 2 1/2%.
Ishihara Sangyo Kaisha	\$ 50	1992	3 1/4	100	—	Noncallable. Each \$5,000 note with one warrant exercisable into company's shares at 763 yen per share and at 145.00 yen per dollar. Fees 2 1/2%.
Kinki Nippon Railway	\$200	1994	open	100	97.75	Coupon indicated at 4 1/4%. Noncallable. Each \$5,000 note with one warrant exercisable into company's shares at an expected 2 1/2% premium. Fees 2 1/2%. Terms to be set Sept. 2.
Mitsubishi Cable Industries	\$100	1992	3 1/4	100	—	Noncallable. Each \$5,000 note with one warrant exercisable into company's shares at 653 yen per share and at 143.40 yen per dollar. Fees 2 1/2%.
Nichimen	\$100	1992	open	100	97.50	Coupon indicated at 3 1/4%. Noncallable. Each \$5,000 note with one warrant exercisable into company's shares at an expected 2 1/2% premium. Fees 2 1/2%. Terms to be set Sept. 2.
Nippon Coinco	\$ 60	1992	3 1/4	100	100.00	Noncallable. Each \$5,000 note with one warrant exercisable into company's shares at 1,702 yen per share and at 143.90 yen per dollar. Fees 2 1/2%.
Nippon Denko	\$ 70	1992	3 1/4	100	100.75	Noncallable. Each \$5,000 note with one warrant exercisable into company's shares at 844 yen per share and at 142.50 yen per dollar. Fees 2 1/2%.
Nissinbo Industries	\$150	1992	open	100	100.00	Coupon indicated at 3 1/4%. Noncallable. Each \$5,000 note with one warrant exercisable into company's shares at an expected 2 1/2% premium. Fees 2 1/2%. Terms to be set Sept. 3.
Sanyo-Kokusaku Pulp	\$130	1992	3 1/4	100	—	Noncallable. Each \$5,000 note with one warrant exercisable into company's shares at 593 yen per share and at 142.70 yen per dollar. Fees 2 1/2%.
Shimano Industrial	\$ 50	1992	3 1/4	100	—	Noncallable. Each \$5,000 note with one warrant exercisable into company's shares at 924 yen per share and at 145.00 yen per dollar. Fees 2 1/2%.
Texas Instruments	\$300	2002	2 1/4	100	101.00	Redeemable as par in 1994. Convertible at \$63 1/2 per share, at 7.98% premium. Fees 2 1/2%.
Toho	\$ 20	1992	open	100	97.50	Coupon indicated at 3 1/4%. Noncallable. Each \$5,000 note with one warrant exercisable into company's shares at an expected 2 1/2% premium. Fees 2 1/2%. Terms to be set Sept. 3.
Tokyo Construction	\$ 70	1992	3 1/4	100	100.00	Noncallable. Each \$5,000 note with one warrant exercisable into company's shares at 714.30 yen per share and at 143.90 yen per dollar. Fees 2 1/2%.
Tokyo Hotel Chain	\$ 70	1992	open	100	99.00	Coupon indicated at 3 1/4%. Noncallable. Each \$5,000 note with one warrant exercisable into company's shares at an expected 2 1/2% premium. Fees 2 1/2%. Terms to be set Sept. 1.
Yamaha Motor	\$100	1992	3 1/4	100	97.75	Noncallable. Each \$5,000 note with one warrant exercisable into company's shares at 861 yen per share and at 142.50 yen per dollar. Fees 2 1/2%.
Wyse Technology	\$ 75	2002	open	100	98.25	Semiannual coupon indicated at 5 1/4 to 6 1/4%. Collable at 103 in 1990. Convertible at an expected 18 to 22% premium. Fees 2 1/2%. Terms to be set Sept. 2.

## Taiwanese Ask U.S. to Let Currency Stabilize

**TAIPEI** — Taiwanese business leaders have drafted a letter to President Ronald Reagan appealing for an end to U.S. pressure for appreciation of the Taiwanese currency, arguing that it could destroy the island's economy.

The Development Council for Taiwan-U.S. Fair Trade, a coalition of about 200 trade and industrial associations, will give the letter to Washington's unofficial embassy in Taiwan this week to forward to Mr. Reagan, a spokesman said.

The Taiwan dollar has risen by almost 30 percent against the U.S. currency since September 1985. Washington has been pressing for a stronger Taiwanese currency to help reduce the huge U.S. trade deficit with the island. The deficit widened to \$9.4 billion in the first seven months of this year from \$7.5 billion in the comparable period of 1986.

On Friday, the Taiwanese currency rose one Taiwan cent against the U.S. dollar to close at 30.09 dollars.

The letter noted that many U.S. companies were using cheap labor in Taiwan to produce for the U.S. market.

A rising Taiwan dollar will drive the companies elsewhere, the businessmen warned, hurting Taiwan's economy and having little impact on the U.S. trade deficit.

"Rather than reducing the trade gap," the letter said, "it would almost certainly lead to the disintegration of Taiwan's economic structure and be harmful to the interests of American consumers."

The Taiwanese government has pledged to defend an exchange rate of 30 Taiwanese dollars to one U.S. dollar, saying that the island needs time to assess the impact of the currency's recent appreciation on the island's exports.

The Taiwanese central bank boosted the currency to that level early this month in hopes of averting a U.S. trade retaliation.

In a similar effort in July, Taiwanese officials sent a team of officials to the United States to buy \$4.35 billion of goods.

## Pöhl Cites Purchase of Low-Cost Dollars

**HAMBURG**, West Germany — Karl Otto Pöhl, president of the Bundesbank, estimated that central banks had bought up to \$70 billion in U.S. dollars between the end of 1986 and May of this year.

The central banks used the intervention to increase their currency reserves with relatively cheap dollars, he said in an interview in the news magazine Der Spiegel. Mr. Pöhl said he expected currency movements in the next eight years to be less volatile than they were in the past eight.

## Many Countries Producing Above Quota

Country	Current quota	Current crude production
OPEC country	4,343	4,500
Saudi Arabia	2,369	2,800
Iran	1,540	2,100
Iraq	996	1,500
Kuwait	948	1,500
United Arab Emirates	299	450
Qatar	N.A.	420
Neutral Zone	N.A.	1,800
Venezuela	1,571	1,350
Nigeria	1,301	1,250
Indonesia	996	1,100
Libya	667	670
Algeria	159	160
Gabon	221	120
Ecuador	—	—

## Venezuelan Warns OPEC About Quota Violations

**CARACAS** — Venezuela's energy minister says he is confident about OPEC's ability to stabilize oil prices but warned about possible violations of production quotas by the oil cartel's members.

The official, Arturo Hernandez Grisanti, said, "I think we can be optimistic but we cannot say that we have completely dominated the potential dangers that exist in the market."

Oil prices fluctuated around \$19 a barrel last week, slipping from higher levels after the Middle East Economic Survey reported that the Organization of Petroleum Exporting Countries was breaking its production ceiling of 16.6 million barrels a day by as much as 3 million barrels.

Riwanu Lukman, Nigeria's oil minister and the OPEC president, put the figure at 1 million to 1.2 million barrels. He said there would have to be concrete evidence of quota violations by member states before steps could be taken against them.

Mr. Hernandez said, "There are always potential dangers, especially from possible overproduction. Now those dangers have materialized." Mr. Hernandez and other OPEC representative are scheduled to meet in Vienna Sept. 10 to discuss production quotas.

## Kuwait Says It Bought North Sea Oil To Stay Within OPEC Output Limit

**KUWAIT** — Kuwait is buying North Sea crude oil for its refinery, a senior industry official was quoted Sunday as saying.

Mansour al-Furahi, executive assistant managing director for supply at state-run Kuwait Petroleum Corp., told the Kuwaiti news agency KUNA that the company was buying about 120,000 barrels per day of North Sea oil for its refineries in the Netherlands and Denmark. KPC is the umbrella organization that runs Kuwait's oil industry.

"Kuwait is able to supply the corporation with this quantity instead of buying it from the North Sea or elsewhere," Mr. Furahi said, "but it rejects that so as not to exceed its production quota."

Kuwait has been assigned a production limit of 996,000 barrels a day by the Organization of Petroleum Exporting Countries. Mr. Furahi denied that the emirate was surpassing its quota.

But industry sources have estimated that Kuwait has been pumping as much as 1.5 million barrels a day.

Mr. Furahi said that KPC halted crude oil sales on the spot market two weeks ago to "relieve pressure on oil prices and protect them from falling from OPEC's official level of \$18 a barrel."

Reported overproduction by some OPEC countries has depressed world oil prices to about \$18 a barrel from more than \$20 early this month for Britain's North Sea Brent.

## Kodak Asked University To Bar Fuji Employee

By Lee A. Daniels  
New York Times Service

**NEW YORK** — Like many American corporate giants, the Eastman Kodak Co. battles its Japanese competitors in whatever marketplace they meet. This summer, Kodak took the fight to an unusual arena — the university campus.

Professing concern that an employee of its most intense rival, the Fuji Photo Film Co., would be sharing graduate business school classes at the University of Rochester with its own employees, Kodak went so far as to persuade the university to rescind its acceptance of the Japanese student.

It was an unusual show of corporate influence despite the long, close relationship between American business and U.S. business schools.

And it was particularly striking because the William E. Simon School of Business at the university is known for its free-market principles, which advocate a minimum of regulatory constraint.

The student, Tsuneo Sakai, is part of this year's contingent of employees sent by Japanese corporations to business schools in the United States to learn more about American business principles and practices. He was admitted to the Simon School for its two-year master's degree program beginning this fall.

Kodak, which is based in Rochester, routinely sends scores of its employees to the same school for business degrees. But it apparently became alarmed when it learned of the proposed admission of the Fuji employee, especially because of his work in the company's new-products division.

In a statement Friday, Kodak said that it acted out of concern that its senior and mid-level managers attending the Simon School "would feel inhibited in discussions and/or reviewing case studies for fear of revealing proprietary information."

But it maintained it did not threaten or force Simon officials to reconsider their admissions decision.

For its part, the Simon School helped to place Mr. Sakai in the Sloan School of Management at the Massachusetts Institute of Technology.

One prominent economist said he worried that publicity about the incident could create further ill will and be particularly controversial in Japan, where there is a keen sensitivity about being the target of what is seen as chauvinistic American criticism.

Edward Lincoln, a research associate and expert on Japan at the Brookings Institution in Washington, said, "It's certainly true that

American businesses have been disturbed by the large number of Japanese nationals in American business schools and American scientific-research programs.

"But," he added, "I think there's a zero chance that any good business school would tailor its admissions policies to suit them."

Mr. Lincoln said that the situation in Rochester underscored the fact that American business schools are unavoidably part of the arena in which competition between the two countries is played out.

"This is a situation one has to be ambivalent about," Mr. Lincoln said. "On the one hand, I believe that anybody who can qualify for admission ought to be admitted."

"On the other hand," he said, "no one should be so naive as to think that Japanese companies are sending employees to American business schools solely to broaden their intellectual horizons."

Officials of Fuji could not be reached for comment.

Russell Palmer, dean of the Wharton School at the University of Pennsylvania, who stressed that he had heard "some concerns" expressed about the supposed student conflict presented by the growing number of Japanese students at American business schools.

Roughly 20 percent of the Wharton School's 1,450 candidates are from abroad. He said that the largest contingent from abroad is 30 Japanese nationals from the largest contingent from abroad.

Mr. Palmer asserted, however, that "I don't see how a business school such as ours could get into trying to sort out all the potential conflicts that can arise in a business school student body."

He added, "We have people here, too, from American companies that are competing against each other."

## French Consumer Prices

**PARIS** — Consumer prices in France are likely to rise a little over 3 percent for 1987, following a 2.3 percent increase in 1986, Finance Minister Edouard Balladur said Sunday. Inflation stood at 2.4 percent over the first seven months of the year.



## PICKENS: Modus Operandi the Same but Takeover Targets Are Changing

(Continued from first finance page) said, "there are no longer any cheap stocks available."

"There's not as much money to be made in the oil industry anymore," said Michael Jensen, a professor at Harvard Business School and the University of Rochester who has been a confidant of Mr. Pickens.

Mr. Pickens first ventured outside the oil industry in a limited fashion last year, when he bought a small stake in Burlington Northern Inc., which has both petroleum and transportation interests.

But he later sold those shares without making a challenge to the company's management, and Mr. Pickens kept a low business profile for most of the first half of this year, spending part of the time promoting his autobiography, "Boone."

Mr. Pickens resurfaced in late July, when it was revealed that he led a group of investors that held a small stake in Boeing and was seeking permission from federal regulators to purchase up to 15 percent of the aircraft maker.

It was Mr. Pickens's first major move outside the oil business, and it caused a sensation that even Mr. Pickens is said to have described as a "violent overreaction." Boeing stock soared, the company's management implemented anti-takeover measures, and the state of Washington passed a new law making it all but impossible to take over the company, which is based in Seattle.

The fury proved one thing: even outside the oil industry, Mr. Pickens's interest in a company can move markets. Boeing stock went up \$7.25 just the day after Mr. Pickens's ownership was disclosed.

Mr. Schwertl said, "The threat of that action taking place causes a reaction on the upside, and he can take advantage of that."

While it is not known what Mr. Pickens has done with his Boeing stock, some analysts believe he has sold it at a nice profit.

Mr. Pickens's next target was Singer, the former sewing machine company now involved in a variety of defense electronics fields.

Three weeks ago, Mr. Pickens filed documents with the Securities and Exchange Commission saying that he and a group of investors had bought 4.4 percent of Singer and were considering increasing their holding to 15 percent.

Singer reacted more quietly than Boeing, but just as effectively. It shifted its corporate headquarters from Connecticut to New Jersey to

take advantage of that state's strict anti-takeover laws.

Next up was Newmont Mining. Mr. Pickens announced Aug. 13 that he and a group of partners had purchased 9.1 percent of Newmont's stock — since increased to 9.95 percent — and were interested in acquiring more, perhaps through a tender offer to take over the company.

Analysts took this action more seriously than Boeing and Singer, in part because of the dollars involved. The \$379 million Mr. Pickens's group invested in Newmont dwarfs his investment in the previous two companies.

Mr. Pickens's announcement of the Newmont stake contained his usual statements about seeking to improve shareholder value by forcing changes in Newmont that will improve its stock price.

Yet analysts say that, unlike Boeing, Singer and most of Mr. Pickens's other targets, Newmont's stock is not undervalued.

In the past, Mr. Pickens has gone after companies whose stock was trading at a fraction of the book value of the company's assets. But Mr. Siedenberg says Newmont's asset value is around \$100 a share, while its stock is trading for slightly less than \$80, and has not risen much since Mr. Pickens's announcement.

"Pickens is reputed to have indicated that this is another example of an undervalued situation," Mr. Siedenberg said. "It really isn't."

Indeed, the price of Newmont stock has more than tripled in the past year and, as a result, some analysts believe Mr. Pickens will have a hard time convincing shareholders that they would be better off with him than with current management.

Mr. Pickens could have some trouble bullying Newmont, experts say, because unlike in most of his

other takeover attempts, his group is not the largest shareholder in the company.

Consolidated Gold Fields, a British firm, owns 26.6 percent of Newmont and has said it will support management in any battle against Mr. Pickens. That would make it easier for Newmont's management to garner enough votes to defeat a bid by Mr. Pickens or to find an alternate suitor.

## U.S. Bond Prices Continue To Slide as Rates Push Up

**NEW YORK** — The tenor of the U.S. Treasury market continued to be negative last week, with bond prices falling half a point or more.

Securities dealers said they had been confronted with moderate to

## U.S. Credit Markets

strong selling activity by investors and speculators in the last few days that clearly outweighed the demand for debt securities.

By late Friday, the Treasury's new 8 1/2 percent bonds due in 2017 were offered at 96 30/32, down half a point, to yield nearly 9.18 percent. As recently as Aug. 14, the new bonds were offered at 101 13/32 to yield 8.74 percent.

Although the dollar stabilized at about 141.85 yen, with the help of

## U.S. Consumer Rates

Year	Rate
Year	7.98%
Month	6.17%
Bank	5.21%
Home	12.28%

Source: New York Times.

dollar buying by foreign central banks, that did not allay fears in the credit markets that the Federal Reserve was encouraging a slight rise in short-term interest rates.

The overnight rate for bank loans in the Federal funds market averaged about 6 1/2 percent, or slightly higher than the 6 1/4 percent rate that prevailed from May until this week.

## EUROBONDS: Hybrids Thrive in Uncertain Climate

(Continued from first finance page) er, Morgan Stanley International, that met its specific financing strategy and also appealed to Japanese investors.

Because of various tax charge-offs available to TI, it has a low effective tax rate. As a result, said Mr. Boisvert, the tax deduction available from a relatively high-coupon debt issue is of less value. Thus the computer and semiconductor company offered a low coupon, even for a convertible issue. Yet it compensated investors by lowering the premium price for converting the bond into stock, especially as the shares were already trading near a 12-month high.

The result: a 2 1/2 percent coupon and a 7.98 percent conversion premium, compared with International Paper's more usual 5 1/4 percent

interest rate and 23.70 percent premium. "It's quasi-equity," said Robert Taylor, vice president at Morgan Stanley.

"The opportunity to couple a low coupon with an acceptable premium over a good stock price was a combination that provided us with excellent, attractive financing," Mr. Boisvert said. While the company also offered investors the chance to redeem early, it did so at par, rather than the traditional premium.

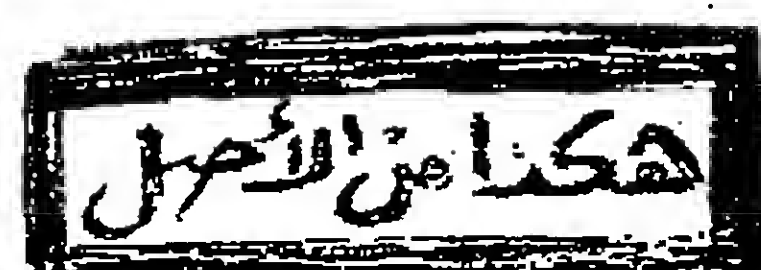
It did not hurt that the structure wound up resembling a Japanese domestic convertible bond; Mr. Boisvert estimated that about half the issue was sold there. For International Paper's offering, Japanese demand accounted for about one-third of sales, Mr. Boisvert said.

With European investors also showing strong interest, the bonds

were rapidly increased immediately after being launched in Tokyo. Texas Instrument's, which began at \$130 million, was ultimately doubled; International Paper's also began at \$130 million and was increased to \$200 million.

The bonds ended the week trading around or above their par offering prices, although exact levels were difficult to determine Friday because of an early exodus by London traders ahead of the three-day British holiday weekend. International Paper's was quoted at 99.50, although the lead manager was quoting 100%; Texas Instruments changed hands at 101.

The \$75 million Wyse issue proved less popular, dealers said, partly because some investors believed it should have given them an option for an early redemption. It finished at around 98.25.





# U.S. Textile Quotas Hurt Bangladesh's Effort to Expand Its Best Market, Create Others

By Stuart Auerbach  
Washington Post Service

WASHINGTON — Impoverished Bangladesh has rapidly expanded its textile exports over the past few years only to draw protests from the United States, its major market.

In talks with U.S. textile negotiators here in late July, Bangladesh officials argued that their country — among the poorest in the world with average per capita income of \$150 a year — needs to increase apparel exports to speed development that will lift it from the morass of poverty.

Bangladesh's textile exports started from a low base: Its 1983 shipments to the United States of 2.1 million garments ranked it far below the major clothing suppliers of the world — Taiwan, Hong Kong, China and South Korea — which together hold 65 percent of the U.S. import market.

As a result, even though its clothing exports have grown more than 135 percent a year since 1983, its overseas sales totaled just \$170 million in 1985 compared to \$5.6 billion for Hong Kong, \$3.4 billion for Korea, \$3 billion for Taiwan and \$2 billion for China.

Nonetheless, during the first half of this year,

Bangladesh emerged as the sixth-largest supplier of clothing to the United States, shipping 50 million garments to the United States.

But its success proved to be a mixed blessing for Bangladesh. Although its sales amounted to just 3 percent of all U.S. apparel imports during that period, the rapid growth attracted the attention of monitors from the domestic industry and U.S. textile negotiators.

Ronald Sarini, deputy textile negotiator for the Office of the U.S. Trade Representative, said, "We never saw those rapid increases here before except in the case of China" a few years ago.

Bangladesh's clash with U.S. quota limits illustrates the global conflict between the industrialized nations of Europe, the United States and Japan, which have domestic textile and clothing industries that are trying to protect, and the low-wage nations of Asia, Africa and Latin America that want to increase their overseas textile and apparel sales.

U.S. negotiators are under added pressure from domestic manufacturers and their allies in organized labor, who are pressing a quota bill that would limit import growth in 185 categories of textiles and clothing to 1 percent a year

for 10 years. The bill, which President Ronald Reagan has promised to veto, is likely to come up in the House soon after Congress returns from its summer recess.

Poor countries like Bangladesh, however, see the emergence of an export-oriented textile and apparel industry as a major step out of poverty because it could start an industrialization process that could lead to greater development.

This is the road followed by the newly industrialized countries of the Pacific Rim — Tai-

wan, South Korea and Hong Kong — that have become the development model for poorer Third World countries because of their success in shifting into more sophisticated manufacturing such as steel, autos and consumer electronics.

These countries, in fact, played a role in starting the textile industry in Bangladesh. As the textile quotas on their home countries be-

came filled and further U.S., European and Japanese restrictions loomed, clothing manufacturers in those countries began looking to new low-wage areas to locate factories.

The Far Eastern investors went first to Sri Lanka and then to the tiny island nation of the Maldives, also in South Asia. When the United States placed those countries' exports under quotas, the investors moved to Bangladesh.

They were accompanied by American buyers

## U.S. negotiators are faced with trying to balance special treatment for newcomers, such as Bangladesh, with being fair to traditional suppliers.

who placed orders for flannel shirts, a simple, inexpensive garment to make. The foreign investors supplied the cloth, the thread, the buttons and the instruction, and in 1983 a total of 1.5 million flannel shirts flowed from Bangladesh factories to stores in the United States.

Most of the workers were recruited from rural areas of Bangladesh who moved into the capital city of Dhaka and the port city of

Chittagong, where most of the factories are located.

Commerce Secretary A.B.M. Ghulam Mostafa recalled that the foreign teachers were amazed at how easily the new workers took to the new trade. But weaving is a long and honorable tradition among women in Bangladesh, which produces some of the finest handmade textile products in Asia.

When Bangladesh was part of British India, the English colonialists broke the fingers of women there to stop them from weaving cloth and to force the people to buy products from the English mills.

Now, Mr. Mostafa said, Bangladesh's clothing industry is largely locally owned, financed by the savings of retired army officers, university professors and civil servants, and consists of some 600 factories employing about 200,000 workers who earn less than \$50 a month.

The clothing factories, furthermore, now produce more complex garments, exporting products in 35 categories.

"What is more important," Mr. Mostafa said, is that "this has the potential of giving birth to other industries," making the

buttons, cardboard stiffeners, thread, fasteners and fabrics needed to make clothing.

The increase in clothing exports comes as Bangladesh's traditional products — animal hides and skins, jute and tea — are not selling well in international markets.

As a result of its spurt in clothing sales, Bangladesh had \$1 billion in export earnings in the fiscal year that ended last June, 24 percent above the 1986 level.

But Herman Starobin, research director for the International Ladies' Garment Workers Union, takes issue with the program of boosting development through clothing exports.

Mr. Starobin said the Bangladesh factory owners were being "ripped off" by Western buyers, who pay as little as \$2.25 for a shirt they then sell in the United States for \$16. The factory owners, in turn, exploit the workers with low wages and substandard working conditions, he said.

U.S. negotiators are faced with trying to balance special treatment for newcomers, such as Bangladesh, with being fair to traditional suppliers. Some of those nations, such as Thailand, already have lost a share of their market to Bangladesh.

## NASDAQ National Market

OTC Consolidated trading for week ended Friday.

Symbol	100s	High	Low	Close	Net
AA	100	100.00	100.00	100.00	0.00
AAA	100	100.00	100.00	100.00	0.00
AAAB	100	100.00	100.00	100.00	0.00
AAAC	100	100.00	100.00	100.00	0.00
AAAD	100	100.00	100.00	100.00	0.00
AAAE	100	100.00	100.00	100.00	0.00
AAAF	100	100.00	100.00	100.00	0.00
AAAG	100	100.00	100.00	100.00	0.00
AAAH	100	100.00	100.00	100.00	0.00
AAAI	100	100.00	100.00	100.00	0.00
AAAJ	100	100.00	100.00	100.00	0.00
AAAK	100	100.00	100.00	100.00	0.00
AAAL	100	100.00	100.00	100.00	0.00
AAAM	100	100.00	100.00	100.00	0.00
AAAN	100	100.00	100.00	100.00	0.00
AAAO	100	100.00	100.00	100.00	0.00
AAAP	100	100.00	100.00	100.00	0.00
AAAQ	100	100.00	100.00	100.00	0.00
AAAR	100	100.00	100.00	100.00	0.00
AAAS	100	100.00	100.00	100.00	0.00
AAAT	100	100.00	100.00	100.00	0.00
AAAU	100	100.00	100.00	100.00	0.00
AAAV	100	100.00	100.00	100.00	0.00
AAAW	100	100.00	100.00	100.00	0.00
AAAX	100	100.00	100.00	100.00	0.00
AAAY	100	100.00	100.00	100.00	0.00
AAAZ	100	100.00	100.00	100.00	0.00
AABA	100	100.00	100.00	100.00	0.00
AABB	100	100.00	100.00	100.00	0.00
AABC	100	100.00	100.00	100.00	0.00
AABD	100	100.00	100.00	100.00	0.00
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AABS	100	100.00	100.00	100.00	0.00
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AABV	100	100.00	100.00	100.00	0.00
AABW	100	100.00	100.00	100.00	0.00
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AABY	100	100.00	100.00	100.00	0.00
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AAAU	100	100.00	100.00	100.00	0.00
AAAV	100	100.00	100.00	100.00	0.00
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AABV	100	100.00	100.00	100.00	0.00
AABW	100	100.00	100.00	100.00	0.00
AABX	100	100.00	100.00	100.00	0.00
AABY	100	100.00	100.00		

SPORTS

SPORTS BRIEFS

Nelson Retains WBC Featherweight Crown

LOS ANGELES (AP) — Azumah Nelson of Ghana successfully defended his World Boxing Council featherweight title for the ninth time Saturday night with a unanimous 12-round decision over Marcos Villasana.

Strange Leads Love by 2 Strokes in U.S. Golf

AKRON, Ohio (UPI) — Curtis Strange shot a 2-under-par 68 to maintain his two-shot lead after Saturday's third round of the World Series of Golf tournament.

Taiwanese Romp to Little World Series Title

WILLIAMSPORT, Pennsylvania (AP) — Pang Yu-Long hit a grand-slam home run and added a two-run shot to lead Hua Lian of Taiwan to a 21-1 victory Saturday over Irvine (California) in the Little League World Series championship game.

VANTAGE POINT/George Vecsey

You Can't Fool Mother Nature

Symbi-ot-sis (sim bi o sis) n. Biol. The con-sor-ing to-gether, usually in mutually advan-ta-geous partnership, of dissimilar organisms, as of the algae and fungi in lichens. (Greek: sym: to-gether; bios: life.)

and boosters, as well as to coaches and administrators, who are on salary. The selflessness of these athletes may then be rewarded by pro football, providing they have not broken their bodies in service to their universities.

After consorting with agents too soon, these athletes could not simply leave their academic homes and move on to professional football

College football needs the National Football League as an incentive for the next wave of high school stars: Perform well, don't be too greedy when boosters slip you unmarked bills, and you too can be drafted by the NFL.

because that would imperil the entire food chain.

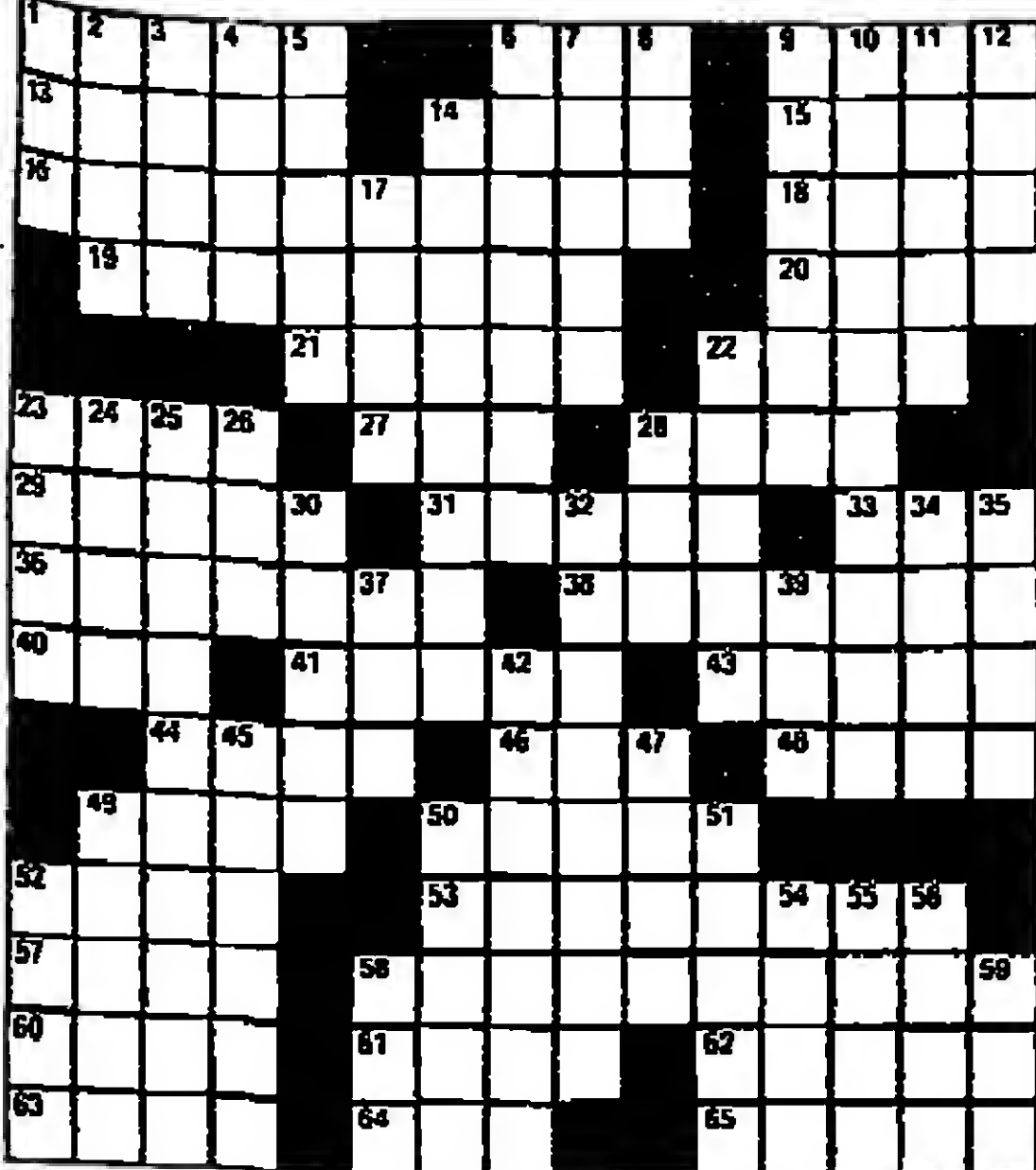
College athletes are not supposed to deal with agents until their undergraduate usefulness is over. Often coming from underprivileged homes, college athletes are supposed to serve as an example of moral and physical excellence to the more affluent students, alumni

existence when the United States League (whatever became of it) started signing the first black players. Now that money wishes the colleges could come out better.

At least 13 NFL teams would not draft Carter or Gladman were sent back to their respective colleges.

Ed Bozick, the Pitt athletic director, said Gladman might not be academically qualified to play football.

Will any NFL team draft them? The names Tim Raines and Ron Gundy are familiar chords?



- ACROSS 1 Thespian 6 Gorge'd, perhaps 9 Inclined 13 Cuomo or Lanza 14 Banner 15 Auto part 16 Lobbyist's activity 18 Rotate 19 Area on a liner 20 Inspiration for Kilmer 21 Actor Reginald 22 Observed 23 Land measure 27 Pitcher like Jack Morris 28 Small masses of wool 29 Kind of land or boat 31 Lofty goal 33 Mrs. in Madrid 36 Push down 38 Less rational 40 Weight of India 41 Mennonite group 43 Ship's crane-like device 44 Brute predators 46 You, to Cole Porter

Solution to Friday's Puzzle

SADAT ALDO SHAH ALIBI RAIN HARI STERN ACRE ELITE HOTANDBOTHERED HEE SCOPE SHADY THREEMEN ATOM REESE OVI SAUSAGE AESOPTIC IRS SATUP PELE FREEBIES COEDS KANTE AIRR COLDSHOULDERED OLLA OENS ETANNA DAIN MREID ATIRAN APD EISSA LAPSE

Quotable

Chicago Cub announcer Steve Stone, on Los Angeles Manager Tom Lasorda: "His license plate says, 'Honk if you have groceries.'" (LAT) Senior golfer Chi Chi Rodriguez, defending his diet, which is heavy on meat: "Have you ever seen a bad-looking lion or tiger?" (LAT) New York Yankee Manager Lou Piniella, responding to owner George Steinbrenner's statement he was in no danger of losing his job: "What am I safe for, a month, a year? I'm tired of having to defend myself every day. I've done a damn good job with what I've had to work with. Frink it, because it's the truth." (AP)

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DENNIS THE MENACE



HE REALLY LIKES CATS, BUT DON'T TELL ANYONE... IT COULD RUIN HIS REPUTATION!

JUMBLE

Unscramble these four Jumbles, one letter to each square, to form four ordinary words.

Jumble word game with grids for RAMOJ, LEBER, INDUPT, NEPELS and a cartoon illustration.

Answer: TO HIS ROOM IN. (Answers tomorrow) Friday's Jumbles: SNOT FUROR ANYWAY GOBLET Answer: He's not a yes-man, but when his boss says no, he says this—NO, TOO

WEATHER

Table with weather forecasts for Europe, Asia, Africa, Latin America, North America, Middle East, and Oceania.

PEANUTS



BLONDIE



BETLE BAILEY



ANDY CAPP



WIZARD of ID



REX MORGAN



GARFIELD



WORLD STOCKS IN REVIEW / Via Agence France-Press

Amsterdam

The Amsterdam Stock Exchange was dominated last week by a falling dollar, interest rate developments and largely negative reactions to half-yearly reports.

Frankfurt

Volume was moderate and trading was quiet as the Frankfurt stock market closed out the final week of August.

Hong Kong

The Hong Kong stock market emerged from the doldrums in an action-packed week. The Hang Seng Index closed at a record 3,611.74 Friday for a gain of 165.15 points on the previous week.

London

Shares rose last week on the London Stock Exchange amid an absence of major economic indicators. The impending bank holiday weekend reduced activity.

Milan

After three successive weeks of declines, Milan stocks recovered slightly last week, with the Comit index edged up 0.73 percent to close at 6,198.7.

Paris

Improving economic indicators and hopes of a drop in interest rates cheered the Paris Bourse last week.

Singapore

The Singapore stock market ended on a relaxed note after prices surged to a new high in the middle of the week.

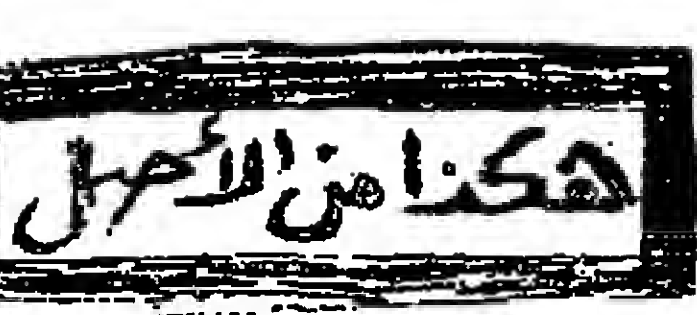
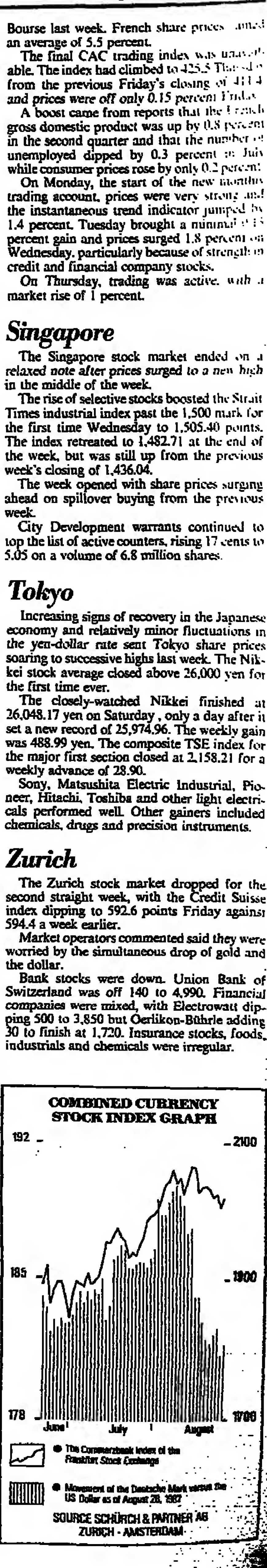
Tokyo

Increasing signs of recovery in the Japanese economy and relatively minor fluctuations in the yen-dollar rate sent Tokyo share prices soaring to successive highs last week.

Zurich

The Zurich stock market dropped for the second straight week, with the Credit Suisse index dipping to 592.6 points Friday against 594.4 a week earlier.

COMBINED CURRENCY STOCK INDEX GRAPH



SPORTS

Jay, in 1st

Johnson Defeats Lewis, Shattering Record at World Championships

ROME — "If I had been asked before the race if either of us could have clipped a 10th of a second off, I'd have said no," Carl Lewis, the Olympic champion from the United States, said Sunday.

TRACK AND FIELD

Track and Field Championships, he shattered the world record in the men's 100-meter final with a time of 9.83 seconds.

The old record, set by Calvin Smith of the United States in 1983 in the high altitude of Colorado Springs, was 9.93. Johnson's mark, set at sea level, represented a drop of 1 percent, unheard of in track and especially at a race so short.

"This record is the best ever in the history of track, in all events," said the compact, often sullen Johnson. He beat Lewis for the fifth consecutive time, but Lewis had nothing to be ashamed of. He finished second, his time of 10.08, with Linford Christie fourth at 10.14 and Kovacs fifth at 10.15.

Johnson had been leading up to his record-smashing performance with a brilliant series of races. On Aug. 2, he was timed in 9.98 at Ottawa. He followed that with 10.05 at Malmo, Sweden, on Aug. 10; 10.00 at Koblenz, West Germany, on Aug. 13; 9.95 at Cologne on Aug. 16, and 9.97 into a strong headwind at Zurich on Aug. 19.

"I had the best conditions to break the world record," he said. "I respect him for what he did."



Ben Johnson held his lead over a concerned Carl Lewis.

holder Willie Banks of the United States failed to advance to the final in the triple jump, finishing 11th in his group with a disappointing best of 55 feet 8 1/2 inches.

It was the second major setback for Banks, the Los Angeles resident who finished sixth before the home crowd in the 1984 Olympics.

On Saturday, the championships got off to a rousing start with Rosa Mota of Portugal, Werner Günther of Switzerland and Paul Kipkech of Kenya breaking meet records.

Mota won the women's marathon in 2 hours 25 minutes 17 seconds. Günther outdistanced world record-holder and 1984 Olympic champion Alessandro Andrei of Italy in winning the shot put at 72-11 1/4. Günther broke the championship record of 70-9 3/4 set by Andrei, the favorite, during Saturday's morning qualifying

Bell Hits 2 Homers as Jays Rout Athletics

TORONTO — George Bell hit two home runs Sunday afternoon, one during an eight-run seventh inning, as the Toronto Blue Jays beat the Oakland Athletics, 13-3.

The score was 3-3 in the seventh when the Blue Jays scored on second baseman Tony Benazraf's wild throw on a potential double play

SUNDAY BASEBALL

ball. Bell followed with a three-run homer, then hit his 41st this season in the eighth inning to break the team record set by Jesse Barfield last season. Bell now is one ahead of the Athletics' rookie, Mark McGwire, for the American League lead.

Yankees 4, Mariners 1: In New York, Bill Gullett pitched seven shutout innings in his AL debut before needing relief help from Dave Righetti against Seattle.

Gullett, acquired Wednesday from the Cincinnati Reds for pitcher Dennis Rasmussen, took a three-hitter and a 4-0 lead into the eighth. He left after Harold Reynolds hit one-out double and Mickey Brantley singled in a run.

Red Sox 7, Indians 3: In Cleveland, Dwight Evans went three-for-five with two homers and four RBI for Boston.

Roger Clemens, pitching on three days of rest for the first time this season, struck out Cory Snyder three times. Snyder now has 138 strikeouts this season, breaking the team mark of 137 set by Brook Jacoby last year. Snyder has struck out all nine times he has faced Clemens in his career.

Angels 6, Orioles 2: In Baltimore, Ally Fowler hit a three-run homer and Tony Armas and Brian Downing added bases-empty shots for California.

Cardinals 4, Braves 3: In the National League, St. Louis Jose Oquendo's suicide squeeze bunt scored Jack Clark with one out and the bases loaded in the bottom of the ninth as their team rallied for three runs that beat Atlanta. It was the Cardinals' fifth straight victory.

Jim Acker relieved to start the St. Louis ninth and gave up doubles to Vince Coleman and Terry Pendleton, which made it 3-2. After Clark walked, Paul Assenmacher relieved and Willie McGee doubled home Pendleton to tie the score.

Relief Gene Garber walked pinch-hitter Tommy Herr to load the bases and Oquendo bunted back to the mound as Clark broke for home. Garber fielded the bunt but could not make a play.

Cubs 3, Reds 1: In Cincinnati, Andre Dawson hit a two-run homer and a run-scoring single for Chicago

to spoil the pitching debut of Dennis Rasmussen, who allowed four hits in six innings but struck out seven. It was the third-place Reds' eighth loss in their last nine games. Dawson's 43rd homer this season.

in the sixth inning, gave him 115 RBI for the year. That surpassed his previous high of 113, for the Montreal Expos in 1985.

Pirates 7, Astros 0: In Pittsburgh, Doug Drabek pitched a

three-hitter for his first major league shutout and John Cangelosi hit a three-run homer against Houston, which lost its fifth straight while the Pirates were winning their sixth straight.

Oof

Chasing a pop-up by Oakland's Dwayne Murphy, shortstop Tony Fernandez and center fielder Lloyd Moseby collided in the fifth inning Saturday in Toronto. Fernandez stayed in the game, but Moseby departed with a severely bruised left forearm (X-rays later showed no broken bones). On the same play, Carney Lansford, who had walked, injured his right ankle rounding second base; left fielder George Bell retrieved the ball and easily threw Lansford out at third.



Chasing a pop-up by Oakland's Dwayne Murphy, shortstop Tony Fernandez and center fielder Lloyd Moseby collided in the fifth inning Saturday in Toronto.

SCOREBOARD

Baseball

Friday's and Saturday's Major League Line Scores

Table with columns for team names and scores for Friday's and Saturday's games. Includes teams like Seattle, New York, Philadelphia, etc.

Transition

BASEBALL American League CALIFORNIA—Acquired Johnny Ray, infielder, from Pittsburgh for Bill Marzetti, infielder, and a player to be named later.

Football

Table with columns for league, team, and score for CFL Standings. Includes teams like Winnipeg, Hamilton, Calgary, etc.

Mets Put to Flight, 9-1, by Giants' Sacrifice Flies

Compiled by Our Staff From Dispatches SAN FRANCISCO — Candy Maldonado hit almost as many sacrifice flies Saturday as Sid Fernandez pitched in the San Francisco Giants' 9-1 rout of the New York Mets.

Maldonado's three sacrifice flies tied a major league record, while

Mitchell and Brenly to make it 3-0, then Mike Aldrete singled in Davis and Jose Uribe squeezed home Clark and it was 5-0.

Mitchell, who scored three times, tripped to open the San Francisco fifth and scored on Maldonado's sacrifice fly. In the seventh the Giants made it 8-0 on consecutive sacrifice flies by Brenly and Maldonado, before Jose Uribe doubled in a run in the eighth. The team's four sacrifice flies tied another record.

"Little things like this can help a ball club win," said Maldonado, who did not get a hit. "When you can go after pitches and hit them where you want to hit them, it's a good day." He tied a record shared by six other players. Don Mattingly of the New York Yankees was the

last to accomplish the feat, on May 3, 1986.

New York's first baseman, Keith Hernandez, went 0-for-3 zero with a walk, ending a 17-game hitting streak.

Cardinals 4, Braves 2: In St. Louis, Willie McGee and rookie Lance Johnson each drove in two runs in the first inning to help beat Atlanta, which got 12 hits in the Cardinals' 5 but stranded 13 runners.

Van Slyke's grand slam was the ninth given up by Houston pitchers this season, tying the major-league record held by three teams.

Padres 3, Phillies 1: In San Diego, Eric Nolas's four-hitter and pinch hitter Maxwell Wynn's two-run single with the bases loaded and two out in the seventh beat Philadelphia.

Expos 6, Dodgers 5: In Los Angeles, Tom Foley doubled with one out in the 10th to score Montreal teammate Andres Galarraga, who also had doubled.

Athletics 6, Blue Jays 5: In the American League, in Toronto, rookie Mark McGwire led off the 10th with his 40th homer this season, giving Oakland its victory.

McGwire became the second Oakland player to hit 40 home runs in a season. Reggie Jackson having had 47 in 1969. McGwire had gone 50 at-bats without a homer, his longest drought of the season, before extending his record for most homers in a season by a rookie.

Tigers 4, Rangers 1: In Detroit, Chet Lemon homered and Walt Terrell pitched a four-hitter against Texas to continue winning at Tiger Stadium. Terrell is 11-0 this season but 10-2 at home, and has a 29-7 career record at Tiger Stadium.

Angels 6, Orioles 5: In Baltimore, Ruppert Jones singled in Bob Boone in the eighth and California ended a nine-game losing streak to the Orioles, dating back to May 15, their first meeting this year.

Mariners 7, Yankees 1; Yankees 4, Mariners 2: In New York, Mike Easter hit a three-run homer to help his team split the doubleheader with Seattle. In the opener, Seattle's Mark Langston pitched a six-hitter and struck out eight, increasing his league-leading total to 307.

Indians 7, Red Sox 2; Indians 2, Red Sox 1: In Cleveland, Rich Yett pitched a two-hitter and Cory Snyder homered with one out in the ninth to help sweep the doubleheader with Boston. In the opener, Pat Tabler and Mel Hall each hit three-run home runs and Tom Candiotti pitched a five-hitter.

Twins 12, Brewers 3: In Milwaukee, Kirby Puckett got four hits, two of them bases-empty homers, to help Minnesota halt a nine-game losing streak on the road.

White Sox 7, Royals 2: In Chicago, Ivan Calderon hit a three-run homer and Floyd Bannister held Kansas City to six hits, ending the Royals' three-game winning streak. It was their first loss under the new manager, John Wathan. (UPI, AP)

On the Notion of Invincibility

By Ira Berkow

NEW YORK — The invincible, to say nothing of the vicible, is always with us. It remains one of the delights and frustrations and agonies of life on a tilted planet.

The highly favored U.S. basketball team, ahead by 20 at one point, lost the Pan American Games gold medal to Brazil, 120-115, as one of the Brazilian players, Marcel Souza, gouged the Americans: "You are better — you should be winning!"

The notion of invincibility was also raised again recently by Tyrrell Biggs, himself a gold medal winner as a super-heavyweight boxer in the 1984 Olympic Games. Biggs spoke about his chances in challenging for the heavyweight title against Mike Tyson on Oct. 16. "People have said he was invincible," Biggs said. "I plan to prove that wrong."

One only has to think back to Aug. 22, when Mark Breland — who, as Tyson today, had been an undefeated champion — was knocked out by Marlon Starling and surrendered his World Boxing Association welterweight crown.

One of the most stunning pugilistic developments of the year — or of recent years — was Sugar Ray Leonard's defeat of Marvelous Marvin Hagler for the middleweight title. The man with the sparkling tale seemed stronger, nastier, angrier and better tuned than his rival, "dancer" challenger. Few gave Leonard a chance, but Leonard was not one of them.

History had provided a precedent, but not many of us are scholars or have long memories. There was no way that another strong, angry and eminently tassy champion — who had previously knocked out the former heavyweight titlist with first-round knockouts in two straight fights — could possibly lose to his younger challenger, one whose numerous pronouncements included that he danced like a butterfly and stung like a bee.

But the gloomier guy, Sonny Liston, ended the fight slumped in his corner after the seventh round, and in a later dull fell heavily and didn't (or refused) to get up from the canvas, as the other fellow, one Muhammad Ali, danced like a bee after, it is believed by some, having stung only like a butterfly.

As to seemingly god-like creatures, walk into a professional football locker room one day and look around. The ambulatory assemblage of solid beef

and rolling muscles is, to a layman, staggering. This is exemplified in the locker room of the best football team in creation pro tem, or at least as of the end of January, the New York Giants.

But below the surface, vicibility is evident, in the mind and emotions — as so graphically illustrated by the drug-related and alcohol-related ignorance and arrogance of Lawrence Taylor in his recent autobiography — and in the vulnerability of the flesh.

Karl Nelson, the Giants' 6-foot-6, 285-pound (119.8 meters, 129.3 kilograms) starting tackle, has been diagnosed as having Hodgkin's disease, a cancer of the lymph node tissue. The doctor said that it had been caught early, that it was localized and that the chances of recovery are 90 to 95.

It is the same disease suffered by Jeff Blatnick, who recovered and went on to win the gold medal in the heavyweight division of Greco-Roman wrestling in the 1984 Olympics.

None of us is immune to the vagaries and caprices of forces within and without — not the limemen, not the running backs (recall that Doug Kotar, a Giant tumor in 1982 and died a year later). Yet it always comes as such a shock, such a surprise, those sudden twists of fortune and health. Gee, he looks so big and strong! He looks so invincible.

No one, of course, knows the vulnerabilities lurking inside of us. And it's hard to convince someone else of a problem that isn't immediately discernible.

Bob Goldsholl, the sagacious broadcaster, recalled Kevin Loughery, then coaching the Bulls, telling him of the time he questioned an injury to the leg of Eddie Miles.

"No one could find anything wrong with Miles," recalled Goldsholl. "And Miles was sort of forced to continue playing. Then one game Miles was coming down court and there was a loud, sickening snap. It was Miles's Achilles tendon. Loughery said that that was the last time he questioned a player who said he was hurting."

The mysteries of sport mirror those of life, or is it the other way 'round? In man and in beast. Never was there a race horse more widely considered invincible than Man of War. He won 20 of his 21 races, before being retired. His lone defeat, in 1915, was of course a tremendous event, moreover, it will forever be recalled as the embodiment of irony: The horse who beat him was named Usset.

European Soccer

ENGLISH FIRST DIVISION Arsenal 4, Portsmouth 0

SPANISH FIRST DIVISION Athletic Bilbao 2, Los Palmas 1

WEST GERMAN CUP Kaiserslautern 3, Mannheim 1

MEN'S TOURNAMENT (At Jamaica, New York) David Pate (U.S.), def. Ivan Lendl (Czechoslovakia) 6-3, 7-10, 7-6 (7-3).

WOMEN'S TOURNAMENT (At Madison, New Jersey) Katerina Maleeva, Bulgaria, def. Helena Sukova (Czechoslovakia), 6-2, 6-3.

Canada Cup United States 1, 0, 2, 4, 1 Canada 0, 1, 1, 4, 4

Hockey Canada Cup United States 1, 0, 2, 4, 1 Canada 0, 1, 1, 4, 4

Major League Standings

Table with columns for league, team, W, L, Pct, GB. Includes American League and National League divisions.

